

2
EDUCATION ISSUE

BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

JUNE 1947

"To Live Is To Think"

(page 25)





“This Plan will bring us closer more people”

In bank after bank — wherever the Bank Agent Auto Plan has been adopted — and directors have been quick to see its value. As practical businessmen, they recognize the opportunities it offers for a greater volume of high quality loans which will produce substantial bank earnings. They realize the advantages of providing more service for their people — of putting the bank's business on a broader, steadier base.

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BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION



THIS MONTH'S COVER

The cover picture is a scene in a Graduate School of Banking classroom. "To Live Is to Think" (Vivere Est Cogitare) is the school's motto

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Just a minute

"Born to Be Educated"

RALPH WALDO EMERSON'S Aunt Mary once remarked that her nephews were "born to be educated."

At the risk of being disrespectful to a very wise lady of 19th Century Massachusetts, we ask: "Well, Aunt Mary, who isn't?"

The question is obviously as unfair as it is impertinent and democratic because we ask it from the vantage point of the mid-20th Century when everybody goes to school at one time or another and many of us are trying, like Henry Adams, to continue our educations long after the formalities are over.

In this goodly company of the purposefully studious no people are more diligent than bankers—particularly younger bankers. They, indeed, have been among the leaders, if not the leaders, in the movement popularly labelled "adult education." They saw, nearly 50 years ago, that the man who got ahead was the man who was prepared. And they did something about it. Nor have they stopped doing something about it.

This Education Issue of BANKING tells what they did and what they are doing. The blueprint for adult study drawn by the founders of the American Institute of Banking and amplified first by their successors and later by The Graduate School of Banking and similar institu-

tions or courses, set up new directions, new opportunities for the people whose work keeps American business going.

Bankers at School

ADULT education is a big field to traverse; in this issue the inspection is limited to the banking corner, although it pauses briefly at the start for a general survey.

The surveyor is Professor WILLARD ATKINS of New York University, who has been on the faculty of The Graduate School since the G.S.B. was founded in 1935. His observations on the general subject pay due respects to banking's pioneering part in the development of educational programs for adults.

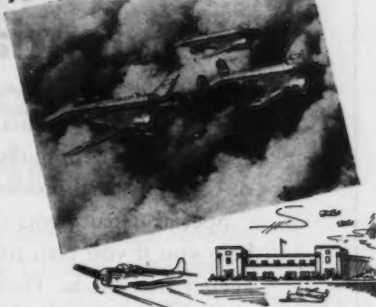
The cornerstone of our table of contents is the work and histories of the A.I.B. and the G.S.B.; in the immediate background are the Institute's 45th annual convention (Detroit, June 2-6) and the G.S.B.'s 1947 resident session at Rutgers University, June 15-28.

Dr. HAROLD STONIER, director of the school, pays his respects to the group of men who, serving on the first faculty, set the pattern of its curriculum—a pattern that was amended and amplified as the years went by.

"Without reservation," he affirms, "the greatest asset of The Graduate School is its faculty. It rekindles one's faith in human nature and in banking to know that a corps of busy and highly trained men are willing to assume the added responsibilities imposed upon them by taking leadership in this educational enterprise. Their hearts as well as their minds have been in this undertaking, and that is why it has succeeded."

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Largely Historical

IN PREPARING this issue the temptation to be historical was great. You'll find stories on the origins of both the Institute and the G.S.B., the material for which was drawn from old records and sharp memories. Some of it, we venture to say, has never been published.

In the sketch of the Institute's beginnings you'll meet such pioneers of banking education as JOSEPH CHAPMAN, A. O. KITTREDGE, "UNCLE GEORGE" ALLEN, FRED I. KENT, WILLIAM C. CORNWELL and other members of the A.B.A. Committee on Education which at the 1900 convention in Richmond recommended establishment of the American Institute of Bank Clerks.

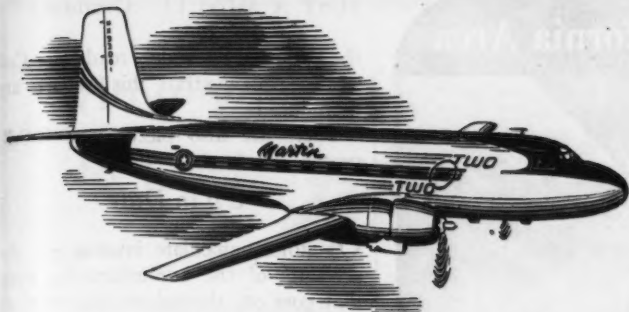
From Mr. CHAPMAN, father of the Institute idea, comes an account of the founding of the Minneapolis Bank Clerks' Association, and of other A.I.B. preliminaries. Mr. CHAPMAN, now over 75 years of age, is looking forward to the 50th convention of the Institute.

From Mr. KENT, first national president of the Institute, we got interesting reminiscence and an appraisal of what the A.I.B. did for him.

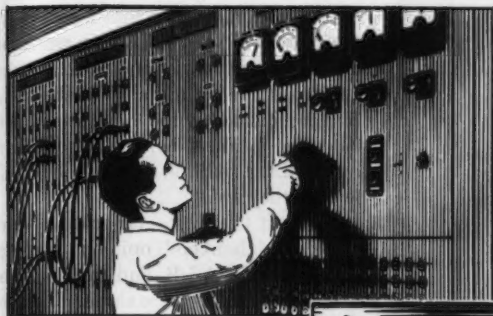
Similarly, the beginnings of The Graduate School are traced, with due emphasis on the contribution, in ideas and guidance, of Dr. STONIER.

Current history is represented in pictures and text related to the Institute's 45th convention in Detroit, June 2-6, 1947, while the story of the first convention (Cleveland 1903) is reprinted from JOSEPH C. LINCOLN's account of it in the *Bulletin* which he edited. The pictures used by Lincoln—he was later

(CONTINUED ON PAGE 6)

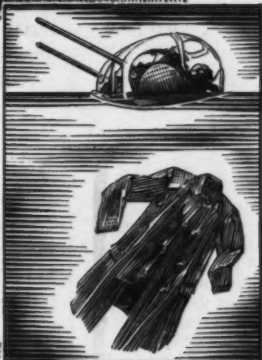


MORE POSTWAR AIRLINERS have been sold by Martin than by any other manufacturer . . . over 350 with further sales pending. Deliveries start soon on the Martin 2-0-2, now passing flight tests; while the first Martin 3-0-3's near completion.



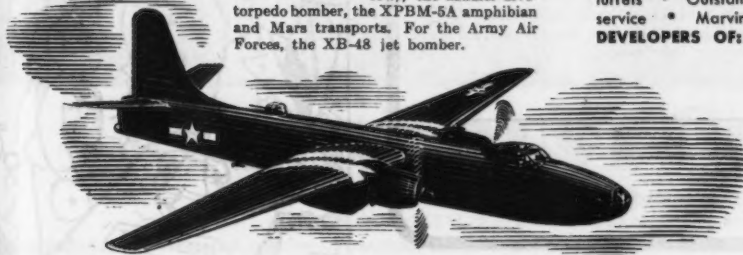
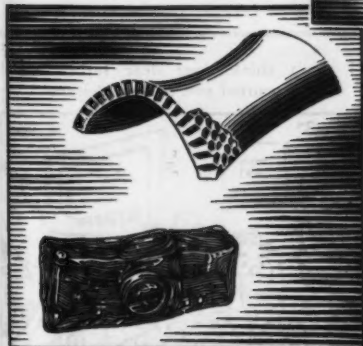
RESEARCH CONTRACTS, important to American airpower, have been awarded Martin by the military services. With 223 patents so far, look to Martin for big news in guided missiles, advanced forms of propulsion, electronics, super-sonic speeds and other fields.

PLASTICS, OTHER PRODUCTS stress diversification. Shown at right . . . Martin gun turret . . . raincoat made of Marvinox, versatile Martin plastic raw material entering large-scale production in 1947.



ROYALTIES ACCRUE to Martin from Honeycomb, lightweight construction material . . . Mareng cells, flexible aircraft fuel tanks . . . Martin aircraft ground-handling equipment . . . and other projects.

IMPORTANT MILITARY ORDERS are being filled by Martin. For the Navy, the XP4M-1 patrol plane (shown below), the Mauler dive-torpedo bomber, the XPBM-5A amphibian and Mars transports. For the Army Air Forces, the XB-48 jet bomber.



Let's Look at the Martin Picture!

Diversified Interests Stressed by The Glenn L. Martin Co.

Check the five sources of Martin revenue listed at left and you'll see why the future looks bright. Martin is the leader in sales of commercial transports—possesses large production contracts from the military services—is entering plastics and other fields on a large scale—derives substantial royalties from licensed products—and is engaged in extensive research on other far-reaching developments. Such diversification is a primary factor in assuring constant, long-term profits.

Big Future for Aviation

Moreover, Martin recognizes that aviation has only scratched the surface. More passengers are being carried by the airlines each year. The swiftly growing air cargo industry is still in its infancy. Helicopters—a field entered by Martin with the purchase of Rotawings, Inc.—may well be tomorrow's family vehicle. Stratovision—the re-broadcasting of television and FM programs from planes, to eliminate need for costly coaxial cables or relay stations—is being worked out jointly by Martin and Westinghouse. And rockets, subject of intensive Martin research, are on the frontiers of outer space. Where other industries have reached their zeniths, except for technical refinements, aviation has only begun its climb to great new heights. THE GLENN L. MARTIN COMPANY, BALTIMORE 3, MARYLAND.

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According to recent news reports, handwriting is becoming a lost art in the United States. In some schools classes in penmanship have been abolished. In many cities teachers no longer have to pass a penmanship test to get a job. We understand that not long ago a student couldn't open a bank account because he could only print his name, never having been taught to write.

All this may be news to those who made the recent investigation that received press recognition, but it certainly is not news to the thousands of bank people who have had to read illegible signatures every day for many years. It isn't news to us who make a living imprinting bank checks so that they can be sorted rapidly and accurately, but in a way it does influence our thinking with respect to the future of imprinted checks.

Apparently our Personalized Check program—now in its eighth year—is on firm ground and will continue to grow stronger because of this "nation

of scrawlers" who require printed names on bank checks. We have no quarrel with the chap whose signature looks like a seismogram, but we do think he should be courteous enough to supplement it with his name in print so that people could sort and file his checks without tearing their hair.

Fortunately he can get 200 checks for \$1.25 . . . all nicely printed with his name and address, and numbered too. In addition he gets an attractive cover gold stamped with his name. So equipped, and at such a low price, he can scrawl to his heart's content and his checks will move swiftly thru every bank without a hitch.

What can we do to help you sell more Personalized Checks to this chap and the millions like him? We have lobby signs and advertising folders that are yours for the asking. Banks from coast to coast are now enthusiastically engaged in selling these checks to their customers. If your bank has not already started, why not start now?

Manufacturing Plants at:

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the author of the widely read Cape Cod stories—to illustrate his report are reproduced.

There are also pictures of G.S.B. people.

OF MORE immediate interest are the accounts of the administrative work that goes on, throughout the year, at New York headquarters of the Institute and the school. The running of these institutions is a sizable job; here's a chance to learn how it's done.

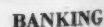
And because no "education issue" would be complete without a report on the numerous schools and courses conducted by universities and bankers associations, there's a roundup of these activities, including the new school for mortgage bankers being organized by the A.B.A. You'll be surprised how extensive they are.

Last but not least—far from it—are surveys of bankers' opinions on the services of the A.I.B. and the qualities needed for success in banking. The material for these articles came from a questionnaire we sent to scores of bank executives.

YES, there are the usual departments also. However, "The Country Banker," "Building for the Future," "The Consumer Credit Digest," "Heard Along Main Street," and other familiars are somewhat curtailed because of the space

(CONTINUED ON PAGE 11)

"I don't think your dear father would have wanted you to buy a circus!"



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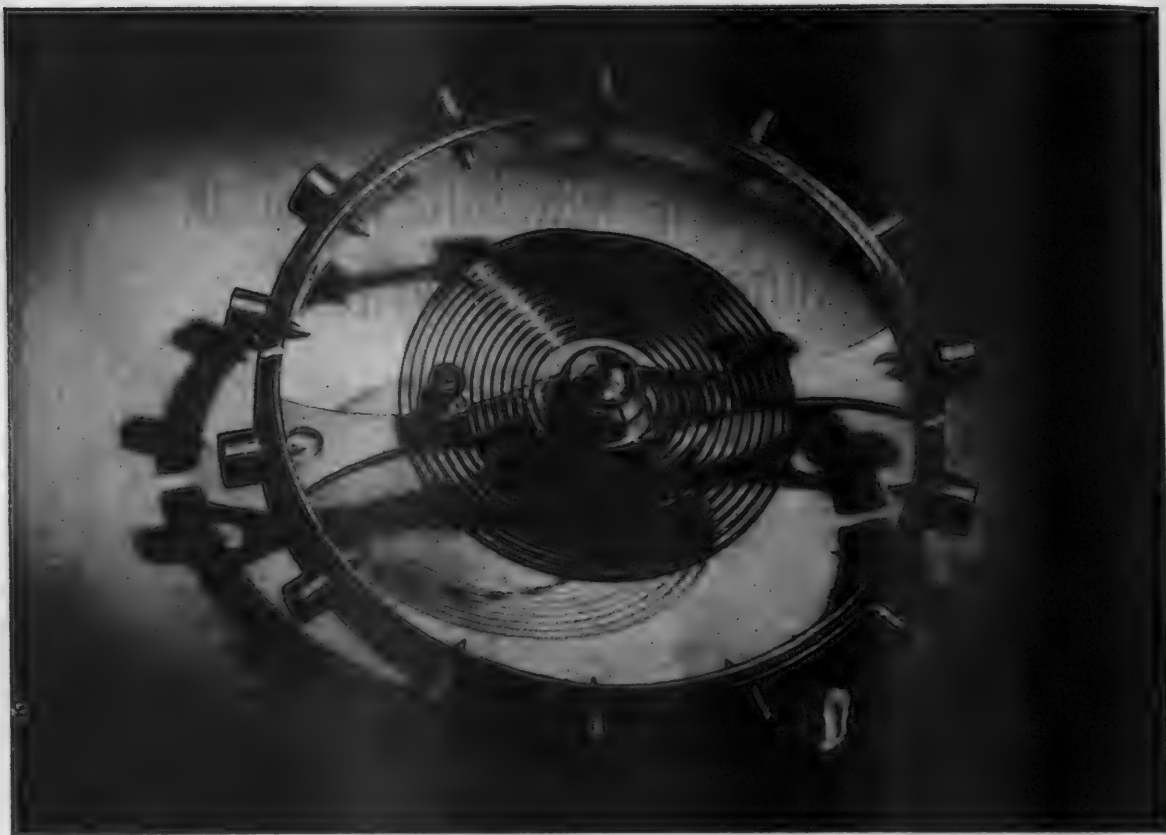
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allotted to articles directly related to the issue's theme.

Father

PLEASE," said the young woman from the National Father's Day Committee, "tell your readers that the 1947 recognition of Dad is to stress his services in building the children's future. And you might also mention that this year the Day is June 15."

Then she produced an attractive poster showing a good-looking father reading a book to two good-looking children. You've probably seen it.

Father's role as a first line of defense against juvenile delinquency and as a teacher of thrift is being emphasized this year. For his specific guidance in building the younger generation's future the committee offers 10 "tenets," namely:

- (1) He makes himself responsible for his child's behavior.
- (2) He shares in his child's activities.
- (3) He makes his child feel secure.
- (4) He has his child's complete confidence.
- (5) He is never blinded by love to his child's faults—he knows he serves his child's interest best by recognizing and correcting weakness.
- (6) He is always available to help solve youthful problems.
- (7) He doesn't demand filial devotion—he wins it.
- (8) He recognizes and accepts as largely his the responsibility for his child's mental and spiritual development.

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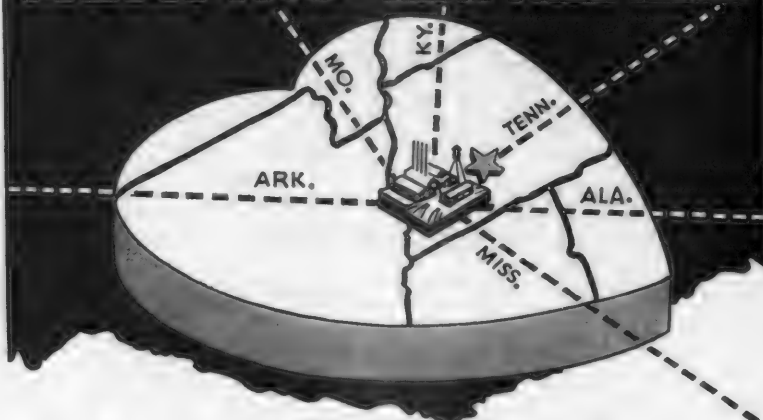
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| 13,500,000 | CALIFORNIA OREGON POWER COMPANY | First Mtge. 3 3/8% | 11-1-74 |
| 7,735,000 | LOS ANGELES COUNTY, SCHOOL DISTRICTS | Various-1 1/4, 1 1/2 & 2% | 1946-1970 |
| 25,000,000 | PACIFIC GAS AND ELECTRIC COMPANY | First & Ref. 2 3/4% | 6-1-81 |
| 75,000,000 | PACIFIC TELEPHONE AND TELEGRAPH CO. | Debentures 2 3/4% | 12-1-85 |
| 10,000,000 | PORTLAND GAS & COKE COMPANY | First Mtge. 3 3/8% | 7-1-76 |
| 8,000,000 | SAN DIEGO, CALIFORNIA, CITY OF | Various-4, 1 1/4 & 2% | 1946-1976 |
| 3,400,000 | SPOKANE COUNTY SCHOOL DISTRICT NO. 81 | 2, 1 3/4, 1 1/2 & 1% | 1946-1967 |
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Education

"Perhaps the most valuable result of all education," wrote Thomas Huxley, "is the ability to make yourself do the thing you have to do, when it ought to be done, whether you like it or not; it is the first lesson that ought to be learned."

(9) He contributes to making the home his child's haven.

(10) He strives to be the man his child thinks he is.

We leave the patres familias of BANKING's readership to the perusal of these tenets (which they're already following, of course)—and to the neckties that will be theirs, come June 15.

In New York, of All Places!

A MEMBER of BANKING's staff went into her bank to turn in some \$25 Savings Bonds she had bought 10 years ago. To the girl who waited on her she said:

"Here are some baby bonds that have matured. Please credit my account." The clerk looked at the securities carefully for several seconds, then asked, hesitantly, "But-ah, who is the infant? I can't find its name."

The explanation quickly resolved her perplexity if not her embarrassment.

"Oh," she laughed. "I never heard 'em called that before!"

The Bank Guard Helped!

AS EVERY woman knows, Lane Bryant sells a highly specialized line of women's clothes. Headquarters is in New York.

(CONTINUED ON PAGE 14)

"Go on, take a chance, deposit it!"



BANKING

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JUST A MINUTE—Continued

but there are 22 other stores and a mail order business. Last year the firm grossed \$42 million.

With these introductory statements, let's pick up a story recently published by *The Dime*, house organ of the Union Dime Savings Bank, New York City:

"In 1897 Lena Himmelstein, 16, arrived from Russia, all starry-eyed, to marry a man she had never seen. The stars went out. It was not love at first sight. Lena got a job in a lingerie factory at \$52 a year.

"The next three years produced a real husband, David Bryant; a son; and the death of Mr. Bryant.

"With a son to support, Lena opened a small shop of her own on 112th Street. She borrowed \$300 capital.

"What did she do with the \$300? As if you didn't know! She opened a bank account, of course (adv.). A solicitous bank guard got her flustered. She transposed vowels, got Lane instead of Lena, liked the sound of it, kept it. And so, kiddies, was born a famous name—Lane Bryant.

"Mrs. Bryant catered to the 'carriage trade.' One lucky day along came one of her regular customers very definitely in an 'interesting condition.' Couldn't something be done to make the condition less interesting? Something could. What they tell me is that the famous No. 5 was created.

"I quote: 'An elastic band was substituted for the usual belt and a full skirt with camouflaged pleats was added.' Unquote.

"The news spread. Mrs. Bryant was on her way up.

"In 1909 she married Albert Maslin to whom she gives great credit for building the business to its present size of 22 stores and mail-order houses."

The *Dime's* writer, EDWARD W. SPOONER, a teller in the bank, adds this P.S.:

"Many of Lane Bryant's employees have accounts with the Union Dime. To those who haven't we suggest, 'Drop in, open an account, spell your name wrong (some of our guards are enough to fluster any gal), and—who knows—you too may be famous.'"

Greetings

OUR own postscript is a wish that the American Institute of Banking has a profitable convention and that The Graduate School of Banking men spend a rewarding fortnight at Rutgers. (We know it will be a busy one!)

JOHN L. COOLEY

BANKING

BEDFORD HOUSE

"AT LENGTH, my good friend, I am arrived at the land of my nativity; and I bless God that it is also the land of light, liberty and plenty. My emotions cannot be described."



"It always gives me pleasure to see trees which I have reared and planted"



The library where Jay read, wrote and died

This sentiment, written to a friend by John Jay upon his return from nine months abroad, is indicative of the love and devotion this great statesman held for his country and home. His life had been dedicated to loyal service as a member of the Continental Congresses, special envoy to Great Britain, Minister to Spain and Governor of New York. His greatest moment had come in 1789 — his appointment by George Washington as the first Chief Justice of the Supreme Court of the United States.

When, in 1800, President John Adams nominated Jay as Chief Justice for a second time, the appointment was declined. The jurist was determined to withdraw permanently from the public life he had faithfully served for twenty-seven years.

That John Jay should retire to Bedford House, his country estate of 85,000 acres at Katonah, New York, was the natural ful-

fillment of a long-cherished dream. Affairs of state put aside, he could devote his time in full to rural neighborhood interests, his family and the development of his farm.

An early riser, he cut a hole in the solid shutter so that the sun's first rays might awaken him. Weather permitting, he would ride by horseback about the grounds, supervising the labors of his farm hands.

John Jay was especially fond of his house, a handsome structure of wood which he built in 1800. It is situated on rising ground backed with lush woods and a beautiful lawn at the south front which commands a pleasant view of Long Island Sound. The original house stands today with only the addition of several rooms, and its present owner takes pride in keeping up its appearance as her great-great grandfather, John Jay himself, would have had her do.

He died in 1829 in the library of Bedford House where so many hours had been spent in reading and correspondence. As a statesman no less than as a private citizen, John Jay was governed by the highest moral prin-

ciples and unswerving devotion to duty. Public office to him was a public trust. Upon his death a contemporary jurist said, "Few men in any country, perhaps scarcely one in this, have filled a larger space, and few ever passed through life with such perfect purity, integrity and honour."



Our first Chief Justice

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Given the chance, King Cotton will watch over your records and your documents so they'll do best the job you want them to do. To be as useful as paper can be in business, ledger papers and index cards should be made with cotton fiber, as are all PARSONS papers.

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So if you want to avoid the problems of dog-eared, illegible records, remember King Cotton, and that it pays to pick Parsons.



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AROUND our bank it is usually the tellers—particularly the attractive girl tellers—who cash in on the boxes of candy, flowers and perfume at Christmastime, because they are the principal employees with whom our customers come in contact; however, throughout the year many of us in our bank are the recipients of many welcome gifts.



During the watermelon season the various shippers keep us well supplied with these succulent members (we are told) of the cucumber family. After the bank doors close we adjourn to the basement for a watermelon cutting, and the usual argument arises between those who take their melon with a grain of salt and those who prefer their melons au naturel.

Frequently when we return to our desks after a brief absence, we find that some good fairy has been around and has left gifts of cucumbers or strawberries, perhaps a couple of big sweet 'taters, a pile of luscious tangerines or a basket of scuppernong grapes.



Although most of these gifts are given in a spirit of pure friendliness, occasionally an ulterior motive rears its ugly head. When a gentleman of Scotch proclivities comes in and treats you to a

couple of fancy cookies from a carefully carried paper sack, you are not too surprised when he returns a couple of hours later and asks you to write up a deed for him—"it won't take a minute." Another customer always presents the notary public with a tiny sample of cold cream, powder or perfume before producing a document for notarization. (The notary tells us, however, that she really enjoys the suspense of wondering just what she is to get each time far more than she does receiving a prosaic quarter.)



Ours is a country bank, with an agricultural background, and we are proud of it. We not only receive gifts of friendship from our customers—we buy the products of their farms. One farmer brings us each week delicious country butter. Others sell us freshly gathered strawberries. A poultryman has no difficulty in disposing of an entire case of eggs to our employees. We are often invited to barbecues and fish fries and frequently we give such an affair ourselves to return the hospitality we have received.



We don't consciously think of these pleasant exchanges of favors and entertainment as a "public relations program," and we are sure our customers don't, either. But we do believe that the friendship and kindly feeling thus informally created between the folks of our community and the people in our bank are valuable by-products which reach deeper and last longer than any stereotyped, prearranged plan we could install. "Human relations" such as these, whether or not they fill the pocketbook, warm the heart.

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and devices for the
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LAWRENCE
STAFFORD

Some Foundations Are Laid

INTROUSION of government into banking and credit suffered during the session of Congress which is now on the home stretch. The big effort to expand governmental credit activities withered on the vine, and existing controls received setbacks or will receive them before the last gavels are pounded in the House and Senate in 1947.

Congress also laid the groundwork for extensive work next year to improve the circumstances under which millions of bank customers; business men, farmers—and taxpayers generally—will grow, produce and spend in the years to come. In particular, Congress has paved the way for thoroughgoing and fundamental tax reform. It has given hopes of revising and modernizing the laws relating to agriculture. It may even come up next year with reforms in the laws regulating banking and the extension of credit.

Despite a drive for the omnibus, one-big-circus-tent Taft-Ellender-Wagner bill, a drive which began almost on the opening day of the Congress, the bill failed of enactment. The failure came also in spite of the combined backing of President Truman and Senator Taft, Republican leader of the Senate. The TEW bill represented the spearhead of the movement to put government more deeply into credit, and to utilize credit from private reservoirs to achieve politico-sociologic objectives.

Congress Not So Control-Minded

Controls lost ground. Although the Federal Reserve Board wanted the Congress to give it permanent authority to regulate the terms of consumer credit, the Congress avoided giving the Board that power. The Board's commitment, that it would withdraw its administratively-imposed regulation of instalment credit unless Congress passed a law expressly authorizing the Board by statute to adopt such regulation, undoubtedly did much to hold off Congress from kicking about Regulation W. Congress knew that eventually the Board would allow this regulation to lapse.

If the Congress in 1947 avoided giving the Board power to regulate consumer credit, it is much less likely to grant it in 1948 when the production of consumer durables, the subject of credit controls, presumably will be in full tide. Incidentally, the Commerce Department report on the trend of savings appeared to knock the grounds out from under at least one of the Federal Reserve Board's arguments for maintenance of controls over consumer credit.

Despite the fact that the volume of consumer credit reached the record level of 1941, "total consumer credit, however, remains far below what might be expected on the basis of prewar relationships to income," the Department said. "Instalment financing, particularly, is out of line with the prewar ratio to total short term credit, representing two-fifths of the total at the end of 1946 compared with three-fifths of the total five years ago."

Banking committees of both houses were slow in getting started, and devoted almost three-fourths of the session to considering little else but rent and sugar controls. Negatively, this slowness forestalled consideration of proposals for extending the scope of the Government's intervention in lending matters, notably the TEW bill, which, even though it cleared one committee, came out for action too late for final enactment this year, at least. This tardiness also deprived Chairman Eccles of the Reserve Board of getting an early forum for the Board's proposed direct controls over commercial bank investments.

Study of Credit Management

One less valuable effect of the slowness of the banking committees was the postponement of the overall study by the House committee of the basic problems of credit management and control. Chairman Wolcott at the opening of the session proposed that such a study be made, yet its start was delayed until near the end of the session, too late to

(CONTINUED ON PAGE 20)

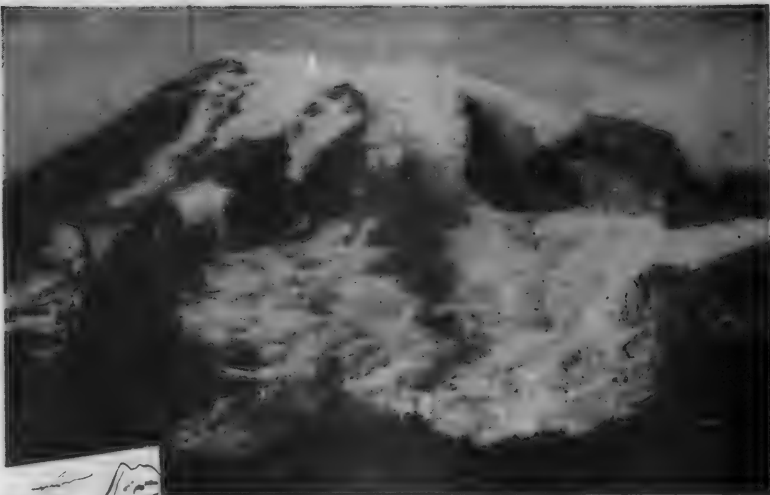


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(CONTINUED FROM PAGE 18)

draw even a good picture of the years of government lending by the RFC, and too late to permit adequate analysis of the operations of other government lending institutions.

In Mr. Wolcott's opinion a sizable inquiry into the subject of credit is needed. There has been no broad inquiry into banking since that which preceded the Banking Act of 1935. That act, on the other hand, was pitched at effecting certain specific reforms in banking practice and regulation. Mr. Wolcott proposes the first fundamental congressional study of what the problem of credit management is since the war developed the huge federal debt and necessitated such paramount attention to the problem of debt management.

While late, the House Banking Committee study of credit management is one of those beginnings which will stand to the credit of the first session of the 80th Congress, but will not bear fruit until next year.

Tax Law Revision

Another such beginning, and of vast and exciting possibilities, is the program to take up next year, after a start this year, permanent revisions of the tax laws. Congress has piled up tax laws, beginning in 1932, at the rate of one and, several times, two a year. It has plucked first this source and then that of revenue, and has plucked again and again the same sources, with little thought of rounding out a pattern of tax laws designed to provide the greatest possible incentive with the least possible pain—to business and industrial activity.

The lesser part of this program consists of technical amendments to revenue laws. These have been studied extensively by the experts of the Treasury and the Congressional Joint Committee on Internal Revenue Taxation. Upon most of these technical reforms there is wide agreement.

There will be much more done toward tax reform, however, than mere technical improvements in the administration of tax law. The majority leaders in Congress plan to come to grips with the problem of double taxation of corporation income (taxing the corporation's income and then also taxing dividend distribution when received by stockholder-taxpayers), the question of excise taxes and the community property laws.

Key leaders of the congressional majority are convinced that the federal

government depends too heavily upon the income tax.

These leaders believe that, regardless of their political unpopularity, excise taxes must bear a greater share of the burden of financing the Federal Government. This, they think, will be necessary even if next year the Congress should succeed in cutting expenditures well below \$30 billion.

A Novel Viewpoint in These Times

Congress's present leaders assume that it is neither sinful to encourage businessmen to embark upon ventures with the hope of large gains, nor socially inexpedient to let the relatively capable and lucky few who do succeed reap some benefits. Congress wants to stop the idea that if one fails in business he just loses his money but that if he succeeds he loses it to the Government.

Majority leaders, even though they are saying little about it, are determined to get away from a level of taxation in the upper brackets which approaches confiscation and leads to investment in tax exempts. They probably in one year will not be able to work the surtax down to 50 percent, but they may be expected to steer toward that goal.

Revision of Farm Laws

Another of the beginnings to the credit of the first session of the 80th Congress is revision of the farm laws, which still authorize the Government to plow up every third row, support prices at levels which induce production of more surpluses, and generally control farm production and marketing in accordance with a Washington plan.



"Gee! That Mr. McMenemy comes within a very few dollars of being my dream man."

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you have already found a perfect packaging material for perishable foods and drugs and for countless other uses; Airfoam, a luxurious new cushioning for your furniture and mattresses; Neolite, an entirely new waterproof material, far outwearing leather on your shoe soles and heels; Pliobond, actually bonds metal to glass, plastics to wood.

The list is endless: the LifeGuard Safety tube that ends forever the hazard of blowouts; Pliolite, a new tough base for long-wearing paint; acid-proof coatings for oil and chemical tanks.



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Chairman Hope of the House Committee on Agriculture has held extensive hearings on revision of the farm laws, the hearings having been designed to bring out what all groups think should be done.

There is general agreement that production controls, except for a very minimum, should be abolished. There is sentiment for this not only in Congress but in the Administration and among farm spokesmen. There is also agreement with Mr. Hope's idea of revising price supports so as to discourage the growth of surplus crops.

Above all there is agreement that that mystical formula, known as "parity prices," should be so overhauled and modernized as to give the odds to the production of "nutritious" crops, such as some fruits and vegetables, dairy products and meat, and yet discourage the overproduction of those field crops characteristically in surplus.

Officials of the Department of Agriculture, other than FCA, anticipate that prices of farm products will remain relatively high, at least until prospects for 1948 crops are known. While FCA expects a drop a little sooner and a serious decline in later years, it does not actually expect farm real estate values to decline as fast or as far as they did in the period after the first war. Cushioning the decline would be the fact that farm mortgage indebtedness is only about half of what it was in the first postwar period, and the Government through 1948 is maintaining price supports on many commodities, and on key commodities indefinitely.

Short on Panaceas

This "do-nothing" Congress is legislating but a small number of proposals, and in particular it is enacting no new panaceas requiring vast bureaucracies or lending agencies for carrying out their objectives. It has missed some opportunities because unavoidably it was without a leader or boss to tell it what to do.

However, the Congress has begun to find ways to save money, by paring the excess requests of bureaucrats, and has caused virtually every agency head to squawk about economy at almost the same time Administration leaders were saying Congress was saving nothing. Next year Congress will cut more deeply into expenditures.

This session of Congress also is laying the foundation for broad reforms in taxes and farm legislation, and for measures which will remove some of the yokes from business enterprise, courage and imagination.

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Members of a panel at The Graduate School of Banking, including, at the extreme right, Dr. Atkins, author of the article below *

No Ceiling on Education

WILLARD E. ATKINS

The author is chairman of the Department of Economics of Washington Square College, New York University, and head of the Division of Economics of The Graduate School of Banking conducted by the American Bankers Association at Rutgers University. He was a member of the school's original faculty.

THE work of the American Institute of Banking and The Graduate School of Banking can be understood and appraised with fairness and accuracy only as part of the total adult education movement in America.

Although the beginnings of adult education are traced by some people back to the New England town meetings of colonial days, the first conscious formal approach was the development of the lyceum movement at Millbury, Massa-

chusetts, in 1826 under the inspiration of Josiah Holbrook, an itinerant Yankee geologist. The movement developed rapidly; by 1834 about 3,000 town lyceums were scattered from Boston to Detroit, and from Maine to Florida. Farmers and mechanics met "for the purpose of self-culture, community instruction and mutual discussion of common public interest."

During its vigorous early years the lyceum movement represented all that was best in American intellectual life. Local citizens appeared on the platform along with such distinguished figures as Webster, Emerson, Thoreau, Lowell and Holmes. Gradually, however, it lost its homespun characteristics and gave way to the professional lecturer and the commercial lecture bureau.

Then, as now, the term, adult education, generally referred to the organized efforts of men and women, young and old, who no longer were in contact with formal education. The field, however, has become so comprehensive, the interests and the objectives so varied, that only the more outstanding movements in adult education can be identified and only the most general observations can be made.

But first, what about the ability of adults to learn? This is the oft-repeated question concerning adult education. Do

*Others in the photograph are, left to right, Albert S. Keister, professor of economics, Women's College of the University of North Carolina; A. Anton Friedrich, professor of economics, Washington Square College, New York University; William A. Irwin, economist, American Bankers Association, and associate director of The Graduate School of Banking; Montfort Jones, professor of finance, University of Pittsburgh



CULVER SERVICE

memory and intellectual alertness atrophy rapidly with age? Investigations prove otherwise. "The decline is so slow," says Dr. Thorndike, who has studied this problem, "that persons under 50 should seldom be deterred from trying to learn anything which they really need to learn by the fear that they are too old. And to a lesser degree this is true after 50 also."

The Chautauqua, one of the outstanding achievements in adult education, was composed largely of adults of advanced age, and incorporated as part of its program the lyceum idea developed by Holbrook. This was begun in 1847 when Bishop John H. Vincent expanded a Sunday School Association into the Chautauqua movement. Although originally begun as a training school for teachers, its education program expanded. The Chautauqua Literary and Scientific Circle, as it was called, gave correspondence courses, with books and assignments to be studied during the year.

ANNUAL gatherings, known as assemblies, supplemented the correspondence and home study work with the lectures and instruction of visiting notables. The purpose was serious and stern and in its early days the vigor of this educational movement was pronounced. The morning sessions were devoted to round table discussions. Graduation, following four years of meritorious work was a picturesque sight to the friends and acquaintances who gathered to see members of their family walk through the flower-covered arch of learning to the platform to receive diplomas certifying the successful completion of their educational program.

Afternoon and evening sessions were open to the general public. In the afternoon came the lyceum and the array of traveling lecturers, not least among the favorites being William Jennings Bryan, with variations of the famous "Crown of Thorns and Cross of Gold" speech which won him the nomination for president in 1896.

In the evening, entertainment occupied the spotlight. The Dixie Jubilee Singers, the Kaffer Boy Choir, Pamaska's Trained Birds and Dogs, and "the highest branch of photography, that of bringing before the eye an exact reproduction of living figures and actual scenes upon a screen or canvas"—Edison's Projectiscope. Quickly the Chautauqua flowered; heavier and heavier became the evening gate receipts. By degrees the popularity of entertainment suffocated the study groups and to a lesser extent the lyceum. Although still functioning, the Chautauqua movement is but a shadow of its former self.

New York City is the home of one early and well known experiment in adult education—Cooper Union Institute, es-

The title of this picture, in an issue of *Harper's New Monthly Magazine* in 1879, is "Journalism in the Woods." It represents a scene outside the editorial offices of the *Assembly Herald*, organ of the Chautauqua movement published at Chautauqua, N. Y. In the story accompanying the picture we find the following: "It is not claimed that the lectures and instruction of the Assembly are thorough or exhaustive. It is freely admitted that the work done there, while it is not superficial, goes but a little way, and its main object is to give only the impetus and direction to individual investigation. The effort during the meetings is to give a 'twist' toward learning and culture to minds which would not be apt to receive that learning under ordinary circumstances. . . . Combined with the above objects is that of rational recreation—that re-creation that is so urgently needed in this busy age, when men literally wear out before they have lived half their years. The theory is that the highest rest and recreation is not found in idleness, but in the exercise of unused powers of mind and body."

published in 1859. Here on February 27, 1860, Abraham Lincoln made his first address in the East. Since then 12 other presidents have appeared in the historic Great Hall. Here were heated debates on the feminist movement and New York City politics. Today the institute work is divided into three categories:

(1) The School of Engineering, which grants B.A. degrees to engineering students who during the day are required to work in related fields. Entrance is by competitive examination and the tuition is free.

(2) The Fine Arts, which merely grants certificates of completion after four years of evening sessions.

(3) The Division of Social Philosophy, which is open to the public three nights a week. It is common to have an attendance of approximately a thousand in the Great Hall to hear topics of general interest in the fields of philosophy and social science. Here Everett Dean Martin held the platform and directed the work in the years 1934-36. Current topics of discussion include such subjects as Freedom and Planning, Doctrines and Philosophy, The Living Arts, Aging Creatively, and the Art of Thought.

In university circles adult education found its early expression on the collegiate level in what became known as the "extension movement." It was first introduced in England by Oxford University in 1845. In the United States during the last decade of the 19th century pioneering work was done by the University of Wisconsin and Columbia University, through late afternoon and evening classes and through correspondence courses. Today more than 150 divisions of educational institutions carry on this extension work. Credit in varying amounts is usually given toward a baccalaureate degree.

A school for adults is the New School for Social Research, in New York, founded in 1919 by Charles A. Beard, James H. Robinson and others. In 1920 Alvin Johnson assumed executive direction and the present school is largely a tribute to his personal vision and tireless energy. Although the school gives collegiate degrees, at present only 600 students out of a total of 7,500 are pursuing courses for credit. The other 6,900 are proceeding on a voluntary basis solely for the personal satisfaction in learning. The New School is devoted exclusively to adults with a presentation on the graduate level for mature people. It stresses economics, political science and philosophy, and is staffed in a large measure by refugee teachers representing the best in European scholarship.

Among the rural population adult education is offered by

the Extension Service of the U. S. Department of Agriculture. This expensive and enormous federally supported program was inaugurated by the passage of the Smith-Lever Act of 1914.

Through some 2,900 county agents the extension service teaches the techniques of farm production, farm finance, marketing, crop control, soil conservation, livestock care. Two thousand home demonstration agents render service in problems of the farm household ranging from intelligent spending to child care. Formal class room techniques are seldom used. The program relies upon practical demonstration, personal talks, bulletins, circulars, fairs and exhibits. It is estimated that the program reaches some 7 million people.

In 1917 the Smith-Hughes Act launched a program directed at "out of school youths and young adults." By the school year 1937-38, 1,800,000 persons took advantage of the opportunities offered for vocational education in day or evening classes. The program for that year cost \$45 million; of that amount the Federal Government contributed 39 per cent. Courses during the 1920's stressed literacy, citizenship and Americanization. Present evening courses stress general educational subjects designed to meet the needs of those who have had to leave school during their youth. The emphasis is upon vocational education, primarily, because of the federal aid extended to this phase of learning.

Along with the public school is the familiar private commercial correspondence school which today offers a wide variety of courses. More than \$80 million annually is being paid for these courses. They are primarily vocational and technical in nature and their appeal is frankly and directly economic. Mechanics, draughting, engineering, management, banking, investments, advertising, salesmanship—these are the courses offered. Unfortunately more than half of these schools are of the fly-by-night variety, but the more reputable schools set fairly high standards and the texts are clear and well written. Properly conducted, these schools can fill a need for educational courses to people in small towns where other forms of adult education are notably lacking.

WORKERS' education started in Great Britain and developed later in the United States. Emphasis, on the whole, has centered on the kind of education that will further the cause of trade unionism. Accordingly, conferences, courses and pamphlets have stressed organizing and collective bargaining methods, trade union history and allied subjects. General educational and cultural attainment has played a far less important role in the United States in the past than in Great Britain. In 1918 the American Federation of Labor sponsored a number of labor colleges in various sections of the country and in 1921 the Workers Educational Bureau, affiliated with the A. F. of L., was established. Also in that year Brookwood Labor College was established in Katonah, New York, the first resident workers' college in the United States. Repudiated by the A. F. of L. in 1934 because of its alleged radicalism, the college during its stormy life trained union workers for leadership through resident classes and correspondence courses. Numerous summer schools and summer institutes for both workers and union officials, however, have survived and grown over the years.

In certain city areas, ambitious programs have been initiated by the International Ladies Garment Workers Union and the Amalgamated Clothing Workers Union as well as other unions. These have proceeded with varying degrees of



The "Chautauqua salute"

CULVER SERVICE

success. Their chief weakness has arisen from their desire to incorporate all their members and in doing so they have at times made concessions leading away from education to entertainment.

Although churches and their allied agencies have been engaged in adult education from their very beginnings, their efforts at the outset were directed toward the indoctrination of the precepts and tenets of a particular faith. More recently the churches have gradually adopted a new concept in offering instruction to mature persons. The Young Men's Christian Association pioneered in this field with a program of vocational education for young men, the first great venture in adult training by any of the religious organizations. Today the curriculum of the Y.M.C.A. encourages the development of the well rounded man through vocation courses, discussion groups, debating clubs, hobby clubs, physical education programs, etc. The Young Women's Christian Association, developed after its male counterpart, stresses the social and cultural aspects of education. Its tuition program is even more widespread in scope, although more informal in nature than is that of the Y.M.C.A.

The National Council of Catholic Men and National Council of Catholic Women each has a national study-club committee which serves some hundreds of clubs throughout the country through the distribution of study outlines on such topics as religion, education, current problems, health, marriage and citizenship. The fraternal order of the Knights of Columbus has carried on an educational program since the first World War. This society has instituted evening classes in most of the large cities and conducts correspondence courses.

From Chicago comes a current innovation in adult educa-

(CONTINUED ON PAGE 108)

Tribute to the First Faculty of the Graduate School

HAROLD STONIER

Dr. STONIER is executive manager of the American Bankers Association and director of The Graduate School of Banking, conducted by the American Bankers Association at Rutgers University.

WITHOUT reservation, the greatest asset of the Graduate School is its faculty. It rekindles one's faith in human nature and in banking to know that a corps of busy and highly trained men are willing to assume the added responsibilities imposed upon them by taking leadership in this educational enterprise. Their hearts as well as their minds have been in this undertaking, and that is why it has succeeded."

This statement is made each year by the director of the school to the men in succeeding incoming freshmen classes at the time of their first meal together as students of The Graduate School of Banking. Every man who has graduated from the school is able to testify to the validity of this statement. All of us who have been connected with the school in any way have cause to be indebted to the group of men who made up the original faculty 12 years ago. Nine of them are still on the faculty staff. Since 1935 many other men have been added to the faculty in various courses. Some of the courses now being offered were not in the curriculum when the school began its work. These later faculty men have added both to the spirit of the school and to the content of the courses of study. They have maintained high standards of instruction. At the time of this writing, however, I am thinking primarily of the original group of faculty men because of the pioneering work they did.

In 1923 and 1924 when we were building the faculty for the school it was necessary for us to obtain men of unusual talents. First, such men needed to know the fields of study to which they were assigned—not only know the literature of the field, but it was necessary for them to be successful practitioners as well. In addition, it was necessary for them to possess what might be called the art of teaching. Many successful practitioners in banking and other fields do not have, let us say, the knack of instruction. This is nothing against them. It is just a fact, not a fault.

It was necessary also for these men to give many hours of effort, before the school began, to the organization of teaching material. We have never used text books. We had to make our own for the reason that the school was working in a field where no similar work had been done before. In the place of text books each instructor had to build an outline for a major course. These outlines have developed into the substance of what might otherwise be called a text. They are so arranged that each student knows in advance what aspect of the subject he will be considering several weeks from the day on which he starts his course.

So much for preparation and instruction. For the sake of brevity, we will pass over the six weeks the faculty man had to give of his time in the three Summers to actual teaching. The mental strain of this work cannot be overemphasized, because of the uniqueness of the type of student in the class. The instructor is faced with several hundred men as students whose average age is 38 and who have anywhere from 10 to 12 years of successful experience as bank officers.

(CONTINUED ON PAGE 109)



FIRST FACULTY

The faculty in 1935, first year of the school's operation. Left to right, front row, Richard W. Hill, John J. Driscoll, Dr. Stonier, Adrian M. Massie, Dr. George W. Edwards, Dr. Willard E. Atkins, Dr. Austin W. Scott. Back row, left to right, Walter Elder, O. Howard Wolfe, Gilbert T. Stephenson, Dr. Eugene E. Agger, Edward Stone, Norman C. Miller, James Brines, George P. Barse

The Story of the Convention

By JOSEPH C. LINCOLN,
Editor of the Bulletin.

For an account of the first American Institute of Banking convention (it was then the American Institute of Bank Clerks), we sought the files of the A.I.B.C. Bulletin. Volume III, No. 9, for October 1903, opened with "The Story of the Convention," written by the young and vigorous publication's editor, JOSEPH C. LINCOLN. He was the same LINCOLN who the previous year had published Cape Cod Ballads, forerunner of a long line of popular books. His literary ability was brightening the Bulletin's pages with sprightly editorials and bits of verse. Here is a condensation of his convention report. The title and "by-line" above, as well as the initial letter, below, are reproduced from the original article. So are most of the pictures.

a "wee banquet" in honor of Cleveland Chapter and guests. . . . There were present about 30 members of Cleveland Chapter and, judging from their accounts of the affair, it was a grand success. . . .

The Delegates Arrive

The majority of the delegates arrived early Friday morning. From Pittsburgh came an enthusiastic carload made up of the Pittsburgh delegation and visiting members, the Baltimore delegation, the Washington delegation, and the members from Philadelphia. From Chicago came a happy crowd, consisting of the Chicago delegation and members, the delegates from San Francisco, Salt Lake City, Minneapolis, St. Paul and Milwaukee. Denver also sent one delegate. Detroit Chapter had its full delegation. There were present delegates from Buffalo, Richmond and St. Louis. From New York a special car brought the delegates and visitors from Alexander Hamilton, New York, Brooklyn, Hartford and Hampden Chapters. Every active chapter of the Institute, with the exception of Los Angeles, Grand Rapids and Topeka, was represented.

From the Institute headquarters came George E. Allen, secretary of the Institute; Charles H. Sumwalt, representing the Correspondence School of Banking, and Joseph C. Lincoln, editor of *The Bulletin*. President J. B. Finley also honored us with his presence and made an inspiring address. . . .

The first move, after the delegates had visited their rooms to leave their valises and get rid of some of the grime of traveling, was the registering and the giving out of badges. Each visitor registered in a large book specially prepared for the purpose, and after he had done this was given the handsome convention badge. This badge was gilt, having

The Hollenden Hotel, Cleveland, was convention headquarters



WELL, we have held our first convention and the question that will be asked by everyone not present in Cleveland on September 18 and 19 [1903] will, of course, be: "Was it a success?"

Those who were privileged to be present in the beautiful city by Lake Erie will ask no question of this kind. They know the convention was a success, a wonderful success, and they have gone back to the chapters that sent them filled with an enthusiasm for the Institute and its work such as they have never felt before, and there have been some pretty enthusiastic men among them, too.

It is hard, writing as we do with the memory of the convention fresh in our minds, not to be over-enthusiastic concerning this first gathering of our association. It is hard not to throw up our hat and cheer, even in cold type, for the convention, for our hosts in Cleveland, and for every man there; but we will try to tone down this exuberance somewhat and tell the story of the convention briefly. . . .

To begin with, the attendance was surprisingly large. There were, if our memory serves us correctly, 114 accredited voting delegates on the floor of the convention hall. Beside these there was a large number of Institute members who visited the convention not as delegates, but merely because they wished to be present at the gathering, even though they were not entitled to vote.

The visitors began to arrive on Thursday, September 17. Among the first on deck were the Providence delegation, Messrs. Guild, Harrington and Brown. Everyone who has had the privilege of attending a meeting of Providence Chapter knows the caliber of its members and the sterling worth of the organization. To say, therefore, that Providence lived up to its reputation is to put it mildly. The Rhode Island delegates came to Cleveland prepared to show the Institute members that Providence Chapter was heart and soul in the movement for the betterment of bank clerks. They engaged what was perhaps the best and most attractive suite of rooms in the Hotel Hollenden and for three days they kept open house in these rooms and extended a welcome to every visiting member of the Institute.

On Thursday they gave what they were pleased to call



"The bill of fare for the convention banquet was a beautiful souvenir, its covers in the shape of a check," above

"The handsome convention badge," left

in the center a silver circle bearing the letters A.I.B.C. It was mounted on a green satin ribbon and was attached by a pin to the coat of the wearer. . . .

In receiving the badges each visitor was given a copy of the official program, which was very handsomely gotten up. This program, for which Chairman E. E. Kehew, of Pittsburgh, deserves the credit, contained a brief history of the Institute and a brief sketch of most of the leading chapters; also it contained the names of the various convention committees. . . .

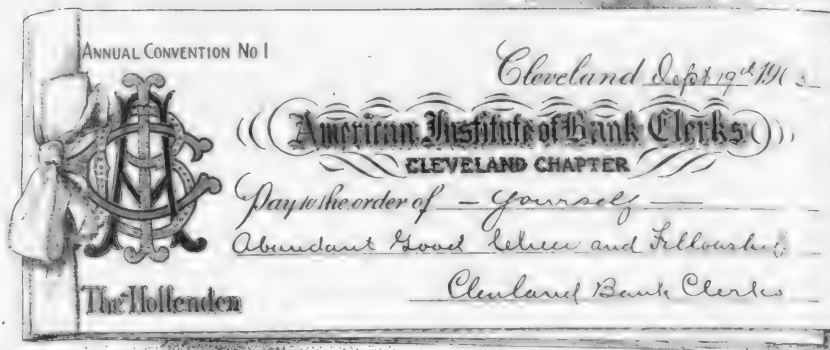
The First Day

Promptly at 10:30 (on the morning of September 18) the convention was called to order by Chairman Kent (*Fred I. Kent, ex-president of Chicago Chapter*), of the Committee on Arrangements. Mr. Kent made a short speech and then prayer was offered by the Rev. Charles Bayard Mitchell, pastor of the First Methodist Episcopal Church, of Cleveland. Clay Herrick, president of Cleveland Chapter, was enthusiastically nominated and elected as temporary chairman of the convention, and S. Ludlow, Jr., of New York, was elected temporary secretary. . . .

[Committee appointments, reports and speeches, including one by the newly elected Institute secretary, George E. Allen, occupied the next hour or so of the forenoon session.]

The program said that "regular business" was to be the next thing, but this business turned out to be more or less irregular. Everybody wanted to know things and it took a good deal of time to enlighten them. However, the first session of the convention adjourned at about 12:30, to convene again at 2 o'clock.

About two-thirds of the delegates were in their seats when Temporary Chairman Herrick called the afternoon session to order. There had been several temporary committees appointed, one of which was to consider the advisability of



forming a federation of chapters. The federation idea was by no means clearly understood by the majority of the delegates, many of whom had never before heard of the proposition, and there was considerable opposition to the formation of a federation of any kind. The committee was not ready to report, and as none of the other temporary committees were ready, Chairman Herrick proceeded with the next item on the program, which was a short talk by Joseph C. Lincoln, editor of *The Bulletin*. . . .

The next speaker was Charles H. Sumwalt, of the Correspondence School. Mr. Sumwalt described the progress of work in the Correspondence School of Banking and particularly urged a plan for the more close connection of this branch of the Institute with the chapters.

[The Credentials Committee reported and the convention discussed, among other things, "the railroad rates for the return trip."]

"Chapter Work"

Then came what the program called a "formal and informal discussion of chapter work," and these discussions were perhaps the most enjoyable and profitable features of the whole convention. The first subject was "Chapter Lectures," discussed by Walter H. Mullins, Chapin National Bank, Springfield, Mass.; J. H. Puelicher, Marshall & Ilsley Bank, Milwaukee, Wis.; and C. A. Peple, State Bank of Virginia, Richmond. At the conclusion of the formal discussion, ten minutes informal discussion took place, in which questions were asked by the delegates from the floor and answered by the speakers.

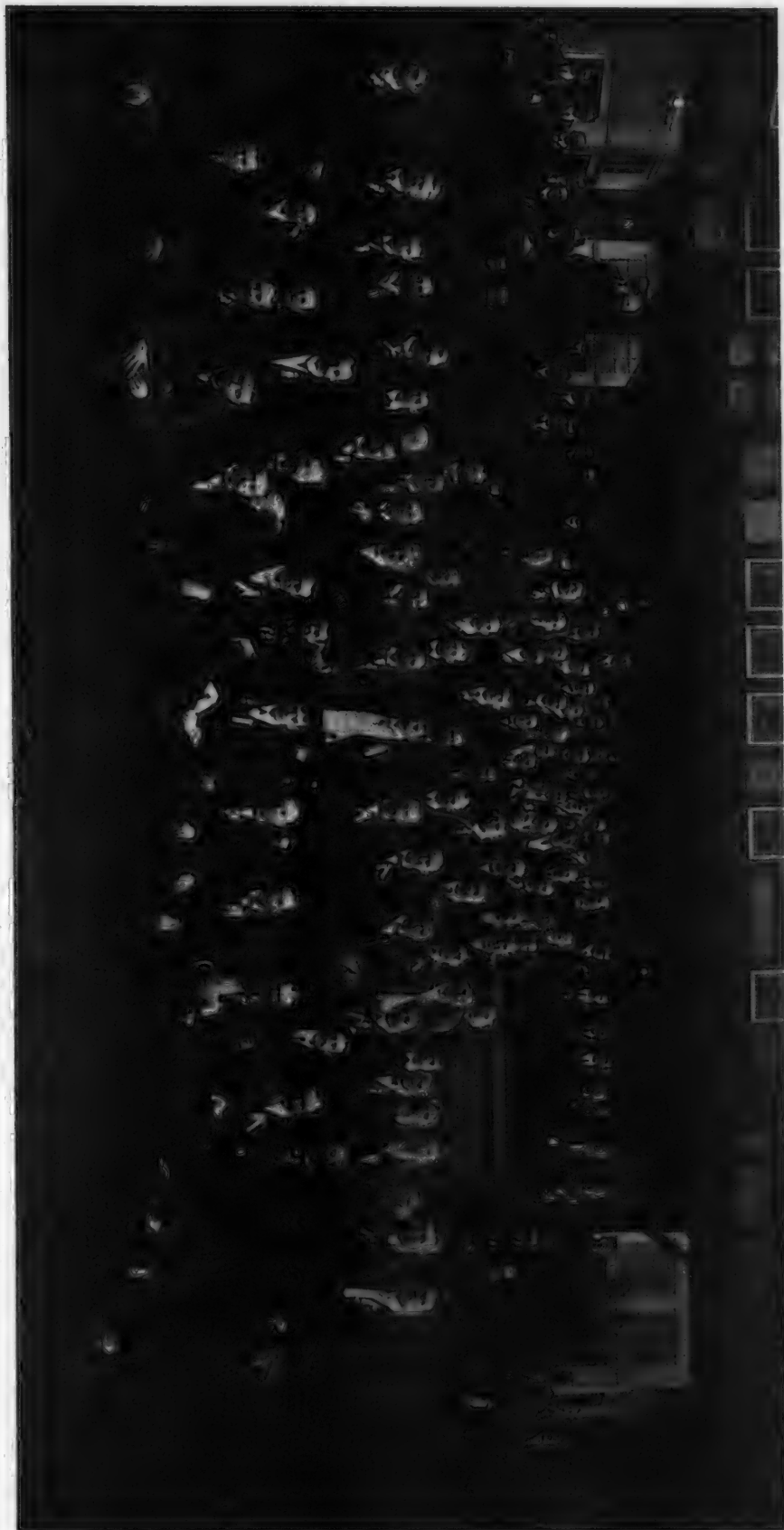
The second subject was "Chapter Libraries," the speakers being Henry M. Holt, Aetna National Bank, Hartford, Conn.; R. M. Richter, International Bank, St. Louis; Arthur Brown, Bank of Commerce, Salt Lake, Utah.

The third subject, "Permanent Quarters for Chapter Work," was discussed by W. F. Mackay, Cleveland Trust Co.; M. Bauer, American Exchange National Bank, New York City; and E. S. Eggers, N. Holmes & Son, Pittsburgh.

The fourth and final discussion was "Chapter Work Which Gives the Most Practical Results." The speakers were R. W. Saunders, Merchants Loan and Trust Co., Chicago; Gilbert A. Harrington, Rhode Island Hospital Trust Co., Providence; and William A. Day, Bank of California, San Francisco.

The program for the afternoon being ended, the convention adjourned until 8 o'clock.

(CONTINUED ON PAGE 120)



The delegates to the first annual convention of the American Institute of Bank Clerks (A.I.B.), Cleveland, September 18-19, 1903. The picture was taken at the convention outing at the Euclid Country Club, and is reproduced from the November 1, 1903, issue of the *Institute Bulletin*.

Origin of The Graduate School of Banking

WILLIAM A. IRWIN

The author is economist of the American Bankers Association, educational director of the American Institute of Banking and assistant director of The Graduate School of Banking. Prior to joining the A.B.A. staff in 1937, Dr. Irwin was professor and head of the Department of Economics, Washburn College, Topeka, Kansas.

DURING the depths of the great depression of 1929-33, Ambassador Dwight W. Morrow, in the course of an address, made the statement that "In America hope is greater than history." And at the annual convention of the American Bankers Association held in 1932, Dr. Harold Stonier, then national educational director of the American Institute of Banking, quoted the Ambassador's statement and told the convention about plans that were then being formulated to provide an intensive course of study for graduates of the A.I.B. in the hope of building a better banking structure.

The idea of such a course of study originated with Dr. Stonier, who has been director of The Graduate School of Banking since its inception. He first thought of the plan in 1929 and consulted about it with many leaders in banking, such as the then president of the A.B.A., Harry Haas, John H. Puelicher, chairman of the Association's Public Education

Dr. Irwin

WEIMAN AND LESTER



STEINMETZ

Dr. Stonier

Commission, and others, as well as with the Executive Council of the American Institute of Banking. A careful survey of the proposal was made by all the parties concerned, and the findings of the Commission were presented to the Executive Council of the A.B.A. in Washington in October 1934, and to the Executive Council of the Institute in Augusta, Georgia, in January 1935. The outcome was the establishment of The Graduate School of Banking by action of the Executive Council of the A.I.B. in January 1935 and its endorsement by the American Bankers Association.

But the mere official establishment and endorsement of the school was only a first step. Much still remained to be done, such as the creation of a board of regents, the choice of a suitable location, the rounding out of a curriculum, the selection of a faculty of able and enthusiastic teachers, and a decision regarding the type of student that should be admitted to the school.

The original board of regents was composed of the following men: Lewis E. Pierson (chairman), chairman of the board, Irving Trust Company, New York; Dr. Robert C. Clothier, president of Rutgers University; Dr. Ira B. Cross, professor of economics on the Flood Foundation, University of California, Berkeley; Walter J. Cummings, chairman of the board, Continental Illinois National Bank and Trust Company, Chicago; A. P. Giannini, chairman of the board, Bank of America N. T. & S. A., San Francisco; Harry J. Haas, vice-president, First National Bank of Philadelphia; Francis Marion Law, president of the First National Bank in Houston; William McC. Martin, governor, Federal Reserve Bank, St. Louis; Lyman E. Wakefield, president, First National Bank & Trust Company, Minneapolis; Edmund S. Wolfe, president, First National Bank & Trust Company of Bridgeport, Connecticut; and Richard W. Hill, secretary, American Institute of Banking, New York. Officers of the American Bankers Association were ex-officio members.

BANKING

On the death of John Puelicher, before the first resident session of the school, the position of chairman was filled by Lewis Pierson of the Irving Trust Company.

The actual connection with Rutgers University and an arrangement by which the diploma of The Graduate School of Banking should be issued jointly by Rutgers University and the G.S.B. was worked out by Dr. Stonier with the help of Dr. Eugene E. Agger, for many years an instructor in New York Chapter of the Institute and professor of economics and business research at Rutgers. Both he and Dr. Robert Clothier, the president of Rutgers, showed keen interest in the prospective affiliation and both worked sympathetically to bring it about. In the final arrangement Dr. Clothier became a member of the Board of Regents of The Graduate School of Banking and retains that position today. Dr. Agger also became associate director of the school. It should be added that about a dozen colleges and universities were desirous of having the school operate under their roofs, and that Rutgers was selected partly on account of the fact that it is located within less than an hour's train ride of New York City, as well as within 24 hours' train ride of nearly 90 percent of the banking population of the United States.

The organizing of the curriculum of study was no small part of the whole job, but as it took shape it originally comprehended three major fields of interest—bank administration, the bank's investment portfolio, and trust administration. These three courses of study were broken down into majors and minors, the former to meet every morning and the latter three afternoons of each week. Along with these, there was a course in banking law required of every student, and another in the ethical and economic aspects of banking, which, likewise, was offered to the entire student body. In the drafting of this curriculum, the director sought the aid of many men in banking, in government and in the professional fields of law and economics. The result was a course of study that could hardly fail to appeal to mature bankers and that would be sure to justify the expenditure of time, effort, and money by those who undertook it.

The faculty, in the very nature of the project, had to be composed of men who not only knew banking history and the theory of banking, but who also knew practical banking and the relations of banking and government. In the selection of the original faculty, Dr. Stonier sought the advice and help of Dr. Agger, O. Howard Wolfe of the Philadelphia

National Bank, Adrian Massie of the New York Trust Company, and Gilbert T. Stephenson, now of the A.B.A. staff. He was successful in getting the men he wanted.

The first faculty's members were all busy men. They knew the nature of the proposed school and they knew the extra work that their connection with it would entail, yet each man was enthusiastic about the project and was ready to do his utmost to ensure its success.

Then came the question of the selection of a student body. As the school was originally conceived, it was to be The Graduate School of the American Institute of Banking. Yet the standards of experience and training required for such an advanced course of study were too high for many of those who were graduates of the Institute; hence, some set of requirements had to be devised that would assure the admission only of those whose preparation would fully qualify them to benefit from the intensive and high quality work offered. The admission requirements, therefore, were set so that only those who could meet these standards were eligible:

- (1) Institute graduates who were bank officers.
- (2) Institute graduates who held positions equivalent to those of bank officers.
- (3) Bank officers with Institute courses or their equivalent to their credit.

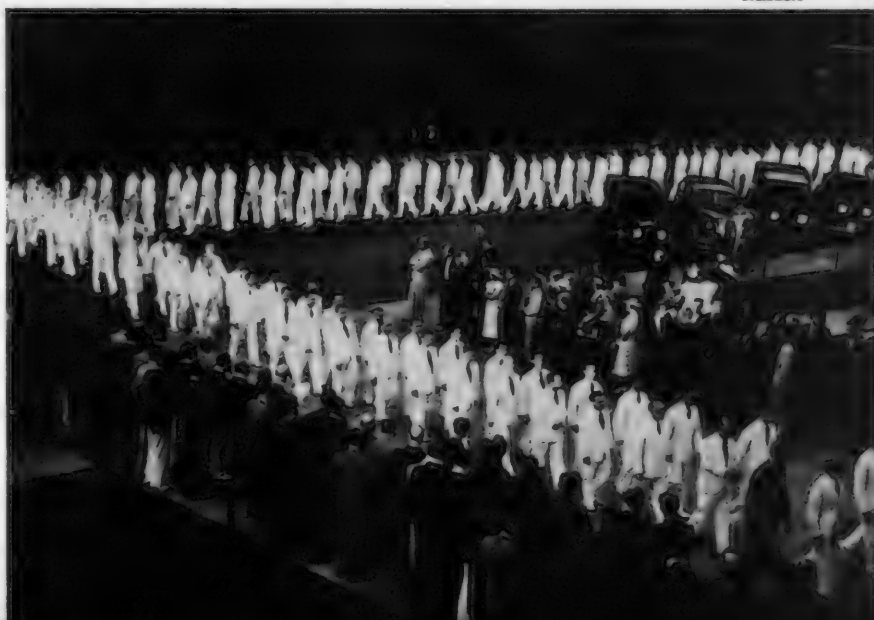
Two hundred and twenty men who could qualify under these requirements were recruited and the first resident session was conducted at Rutgers in June 1935. Most of these men completed the six weeks of resident study (two weeks each year for three years), 20 months of extension work, an acceptable thesis on some banking or economic topic and a comprehensive oral examination covering the thesis and other considerations.

Thus began The Graduate School of Banking. From the very beginning its clearly stated objective has been "a comprehensive study of banking from the standpoint of managerial policies." That it has continued successfully to operate until today, that its continuing and increasing student body has been recruited mainly by the testimony of its graduates and of the banking institutions they represent, and that its 1947 resident session will comprise over 900 students—these facts are testimonials not only to its effectiveness as an educational venture but also to the statesmanlike vision of the man who projected it—its director, Dr. Harold Stonier.

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The men in white are members of the first—1937—graduating class of The Graduate School of Banking. There were 172 of them. Subsequently, 1,335 bank officers, bank examiners, A.I.B. graduates, or the equivalent, have followed the tradition set by this first class in marching to Rutgers' gymnasium on commencement night in their white suits and black ties to receive G.S.B. diplomas

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How the A.I.B. Began

JOHN L. COOLEY

Old records of the American Bankers Association, early files of the Institute's Bulletin, and the memories of prominent pioneers in this adult educational movement yielded the material for this historical article. The writer is an associate editor of BANKING.

THIS STORY begins in Minneapolis on an Autumn day in 1898. Nineteen Northwestern National Bank men have gathered to hear their colleague, Joseph Chapman, Jr., tell about his big plan.

History has a photographer at her elbow these days, but back in '98 the camera's services were reserved for more formal occasions than a casual meeting of a few bank clerks, and so no picture records the scene. But it can be rather easily set up again: high starched collars, sober "business" clothes, heavy watch fobs, many mustaches, and the expectant look on the men's faces as they wait, at the tail end of the 19th Century, for Joe Chapman to explain a 20th Century idea—an American institute of bankers.

He asks his friends this question: Would they care to meet once a week, out of banking hours, to hear lectures on the law of contracts and commercial paper by a professor from the University of Minnesota Law School? Joe Chapman had been graduated from that school the year before, and he guesses he can get someone from the faculty to talk to the group. It seems like a good chance to learn more about the bank job; Chapman, speaking for himself, says his legal background has been a big help to him since he became a banker.

Also, it may be a good way to get ahead in the bank.

You can imagine the thoughtful fingering of mustaches and watch chains that accompanies Joe Chapman's little speech. This sounds like a good idea. After all, why shouldn't bank people do some studying?

So you can be sure that when Chapman has finished his exposition and calls for a show of hands, the Ayes have it decisively.

But Joe Chapman isn't through; he has an even bigger idea. Fortified by his colleagues' agreement, he then suggests that all the bank clerks in Minneapolis be invited to join the class.

"Good," says his audience. "Let's ask 'em."

So the notice for the big meeting went out, and approximately 100 men met in the board room of the Northwestern National to organize the Minneapolis Bank Clerks' Association, with Chapman as president.

The cornerstone of the A.I.B. had been laid.

Joseph Chapman's Story

Long afterward—early this year, in fact—Mr. Chapman set down his recollections of those youthful days of banking education. Writing to the late Richard W. Hill, for many years national secretary of the Institute, he said:

"After the close of the first year's operation [of the bank clerks' association], I wrote to a Mr. Cornwell (William C.), president of the City National Bank of Buffalo, New York, who at that time was chairman of the Committee on Educa-

tion of the American Bankers Association, and told him what we had done in Minneapolis and that we thought the clerks in all the city banks of the country would appreciate a similar opportunity to better fit themselves for their banking future.

"He wired me on receipt of my letter, asking me to meet him and his committee at the Illinois Bankers Association convention, which was to be held in Rockford, Illinois, in the near future. He and his committee were sold on the idea and invited me to be their executive secretary and organize chapters in the larger cities of the country. I told him I did not want to leave the banking business but would assist them in every way I could, otherwise. They then employed a firm of public accountants in New York City (one of the firm was a man named Kittredge) to outline a course of studies and undertake the forming of chapters. I kept my promise to them and personally organized a number of chapters from the Atlantic to the Pacific coasts."

But that's getting ahead of the story. Let's go back to 1898 and 1899 and see how the Minneapolis Bank Clerks' Association was getting along.

Seymour C. Cook, who subsequently became its president, recalled that the new organization's executive committee, in mapping its plans, decided to start the educational program with a course on commercial paper, taught by Professor James Paige of the Minnesota Law School.

"What a variety of material he found in his pupils," says Mr. Cook's account,* "and how they must have taxed his patience and ingenuity! Messengers of 16, tellers and bookkeepers of 35 and 40, college graduates and men who had never completed the high school course, boys fresh from school, and men who had done no systematic study for perhaps 20 years. But the teacher was not dismayed. He patiently and persistently encouraged our efforts both in study and recitation, and in due time had his class well in hand.

"Meetings were held every Saturday evening in a hall rented from a business college centrally located in the downtown district. It meant a good deal of self-denial, especially in the case of the younger members, to give up every Saturday evening the Winter through, to say nothing of the evenings which must be spent in study; and yet about 60 made the attempt, and our average attendance was from 40 to 50."

Mr. Chapman reports that at the end of the first year's work the president of a large Minneapolis bank told him "the association would be a failure unless we turned it into a social organization" and that if Chapman would consent to do so the banker "would raise money from the banks and we could hire rooms and have a social club."

"I told him I would not do that," says Mr. Chapman. "I told him also that he was looking at the proposition from the standpoint of a man who had arrived, while I was looking at it from the standpoint of the boys who were willing to work in order that they, too, might arrive. The history of the Institute proved I was right."

*Published in the June 1901 issue of the *Bulletin* of the American Institute of Bank Clerks.

A Word from Joseph Chapman

JOSEPH CHAPMAN, father of the idea that became the American Institute of Banking, reports that he's "over 75, in the best of health and looking forward to the 50th annual convention." In a letter to BANKING he says:

"I think Frank Vanderlip's statement in the early days of the Institute, made at a dinner of the St. Paul Chapter, that he would rather have had the part Joe Chapman had in the founding and starting of this work, than to have made a million dollars, about states my feelings toward the history of its achievements."

[Frank A. Vanderlip, for many years president of the National City Bank of New York, was an early trustee of the American Institute of Bank Clerks.]

"I am proud to have had even a small part in it. As I stated many times in the early days, it's the only organization of workers that puts a premium on individual initiative, and where the members are trying to improve their knowledge while still working for a living."

Mr. Chapman has retired, but serves as a trustee of the Farmers and Mechanics Bank of Minneapolis.



Joseph Chapman

The Idea Spreads

Meanwhile, the "bankers' school" idea was spreading. Mr. Cornwell and his A.B.A. Committee on Education were exploring the possibilities of nationwide training for bank people; indeed, they may have had such a plan in mind for some time, although the old records are vague on that point. News of what was going on in Minneapolis had reached other cities, and in Louisville and St. Louis, as well as in Chairman Cornwell's Buffalo, bank clerks were taking an interest.

But the next official A.I.B.—or more accurately, the American Institute of Bank Clerks—milestone is to be found in the proceedings of the 25th national convention of the American Bankers Association held at Cleveland early in 1899. (Mr. Chapman was a delegate to that convention.)

Mr. Cornwell opened his committee report on September 6 by informing the convention that the committee had received from the Executive Council "the petition of a large number of bank clerks in Louisville and Buffalo requesting the American Bankers Association to form an Institute of Bankers similar to the one in very successful operation in England."

The request, Mr. Cornwell continued, was "voluminously signed." It read as follows:

"We the undersigned bank clerks, desiring a higher development of banking as a profession in this country, and enlarged facilities for its thorough study, respectfully show the American Bankers Association:

"That there is not in this country at the present time an Institute of Bankers, nor any sufficient means for securing an education in the profession of banking, available to all those desiring such an education."

"That banking is not practised as a profession in this country as it should be."

"That much of the ill-will shown toward banks arises from ignorance of their economic value and true function."

"That with the facilities for special training in banking and finance, and the laws relating thereto, the standard of

the profession will be greatly raised, banks conducted upon safe and more scientific principles, and the people in general better informed and in harmony with an institution which is so essential to the business of the country. This will lead to more economic and scientific banking and currency laws, and we may hope some time to lead other countries in our financial system, instead of to follow.

"Believing that the future of banking in this country demands much better training than it is now possible for bankers to acquire and with the desire on our part to use all available means which our circumstances will permit for qualifying ourselves for our profession, we therefore respectfully petition that the A.B.A. will father a movement toward the founding of an institute of American bankers, opening to us and to all in this country who follow our profession, the facilities for study and training similar to those afforded in England and Scotland, and elsewhere, and which shall be adequate to our needs, and an honor to our country and the American Bankers Association."

An "Institute" Suggested

The Committee's report then outlined the work of the British bankers' institute. Continuing, it said:

"The formation of an Institute of American Bankers on these lines should be a comparatively easy matter. That the working forces of our banks are willing and desirous of entering such an association is shown by the petitions to this Association. The proposed Institute would bring to them much knowledge of the theory and practice of banking, to be acquired otherwise only by experience or individual investigation.

"As a means of education and training the proposed Institute must be as valuable to the banking houses as to the employees who enjoy its benefits. The per capita cost would be slight, the collective value immeasurable. By systematic local organization in each American city, the Institute may attain large membership and influence within a year. Its aim must appeal to those who believe in a more intelligent application of banking practices in this country."

"The Committee desires instruction from the Association as to whether it would be the wish of the Association to have the matter taken up seriously with reference to forming such an Institute of Bankers in the United States as exists in England, or to have preliminary steps taken under direction of the Executive Council."

The report was signed by Mr. Cornwell; Robert J. Lowry, Lowry National Bank, Atlanta; and Harvey J. Hollister, Old National Bank, Grand Rapids, Michigan.

Delegate Whiting of Mobile moved that the Committee on Education "present to the Executive Council a plan for preliminary steps in the formation of an Institute of Bankers in connection with this Association." There was a prompt second from Mr. Lowry, and President George H. Russell put the question. The resolution was adopted.

The "A.I.B." was on its way.

But the Committee's work had only started. The first step was to get assistance in the task of organizing. For this help the Committee turned to A. O. Kittredge, president of Account, Audit & Assurance Company, Ltd., of New York.

Another early step was to ask for suggestions as to the courses the proposed institute should offer. Here some of the banks—notably the Seaboard National of New York—were helpful.

The Plan Is Presented

When the 26th national convention of the Association met in Richmond in October 1900 the Committee on Education was ready with a plan. Chairman Cornwell was again the spokesman and his report was keyed to this sentence:

"There is abundant evidence that the young men who are doing the clerical work in banks in the United States are anxious to avail themselves of any and all knowledge and training which will help them to do their work better and more intelligently."

"We find," said the chairman, "that the matter is, first of all, perfectly practicable; second, feasible; and third, inexpensive. We find, further, that the bank clerks of the United States, or a great many of them, are desirous of having something of this kind done. We have this in the form of letters, and letters and petitions to the newspapers."

In the correspondence was a letter from Joseph Chapman, Jr., telling of the Minneapolis bank clerks' study courses. The file also contained an examination course which the Seaboard National had been conducting "for a year or two"; samples of the tests given its employees annually were offered.

"This thing is perfectly feasible," Mr. Cornwell said. "The Association Committee, or some committee appointed by it, would employ a secretary of first class ability, and that man would formulate, in conjunction with others, a plan of study for the Winter. He would then send out to all the banks for distribution among the clerks a prospectus of the plan, and then travel from city to city; in conjunction with the banks he would call together the bank clerks and organize and elect officers for a branch in that city and start the work."

"At the end of the season an examination would be held, and the clerks who were proficient would receive a certificate from the institute. That certificate would have a money value, as indicating the character and mind of the man possessing it; and it would be of benefit to him in earning promotion."

The local groups, or "chapters," would elect delegates to a "Central convention" at which a national secretary, president and treasurer would be chosen, together with a council of 15 "which would govern the association." The clerks would pay dues.

"A Cry Out of Macedonia"

In conclusion Mr. Cornwell allowed himself one brief flight of oratory.

"It seems to me," he said, "that this cry from the bank clerks is a cry out of Macedonia; and it is for you to decide whether this Association shall undertake this work which will help along this great army of young men upon whom we rely for our good, honest work, or whether you shall let them go and take care of themselves, forming associations in spots, and struggle along slowly, when you can place them in one year in a position which will make this institute a success and a benefit to every bank in the United States."

The Committee's formal report was an answer to the "cry

The American Bankers Association convention of 1899, held in Cleveland, which authorized the Committee on Education to draft a plan for an "Institute of Bankers"



out of Macedonia." It included the extensive recommendations of Mr. Kittredge for an organization, along the lines mentioned by the chairman, featuring "instruction by correspondence"—for this, observed Mr. Kittredge, was "one of the educational forces of the day." He also suggested that the Institute provide training in public speaking, in debate and in essay writing.

"No banker or business man," he said, "is as fully equipped for the higher responsibilities of his calling as he ought to be who is not able on occasion to express himself freely and forcibly in a meeting."

Thus did public speaking take a front seat in the curriculum of the Institute. It has been there ever since.

There were to be three major channels of instruction: the local chapter, the correspondence school, and an official publication or bulletin.

Also, Mr. Kittredge suggested: "A congress of the institute, to which delegates would be sent by the different chapters upon a fixed basis of representation, would be the legislative body, to assemble annually or biennially. The congress would elect the national executive officers, including the executive committee."

The convention received the voluminous report with close attention. Then James G. Cannon, of the Fourth National Bank, New York, moved this resolution:

"Resolved, That it is the sense of this convention that the Executive Council should authorize the Committee on Education to organize an institute of bank clerks, for the bank clerks of the United States, appropriating such an amount as will be necessary to inaugurate and operate such an institute for the first year, not exceeding \$10,000."

Mr. Lowry again seconded, the resolution was carried unanimously, and the Institute had arrived.

Organizational Work

With this mandate from the Association's membership (and with the Executive Council's approval), the Committee on Education resumed its task. Early in 1901 it appointed Mr. Kittredge as secretary of the Institute and accepted an offer of Account, Audit & Assurance Company, Ltd., to make its staff and office facilities available for use by the organization which, in form, was to be a voluntary association under the laws of New York State. (The first decision was to make it a membership corporation, but this was changed to a voluntary association.)

The preliminary organizational work, including the draft of a constitution and by-laws, was completed on February 15, 1901, at a special meeting of the Committee on Education in New York City. On March 23 the articles of association were signed by these trustees: William C. Cornwell, Buffalo; Robert J. Lowry, Atlanta; Harvey J. Hollister, Grand Rapids; J. B. Finley, Pittsburgh; George F. Orde, Chicago; James G. Cannon, New York; A. C. Anderson, St. Paul; Harry L. Burrage, Boston; and John F. Thompson, New York.

Mr. Cornwell was elected president, Mr. Cannon treasurer, and Mr. Kittredge secretary. George E. Allen—the Institute's beloved "Uncle George"—was appointed assistant to the secretary. He later became secretary and subsequently educational director.

The secretary's office immediately prepared a circular setting forth the aims of the Institute and mailed 100,000 copies to banks. It announced establishment of the Correspondence School of Banking which would provide courses in penmanship, spelling, grammar, composition and rhetoric,



George E. Allen ("Uncle George"), widely known as the Institute's secretary and educational director

business correspondence, shorthand, typewriting, commercial geography, financial and commercial history, bank arithmetic, double entry bookkeeping, bank bookkeeping, practical banking, commercial law, government, and practical finance. The fees ranged from \$1 to \$20 per course.

On April 25, 1901, when the Association's Executive Council met in New York, Mr. Cornwell reported that enrolment of students in the correspondence courses was under way, that several chapters had been organized (Alexander Hamilton Chapter in New York is carried as No. 1 on the A.I.B. roster), that preliminary organizational work was well started in several other cities, and that in general the Institute was a going concern.

A Going Concern

At the Association's 27th convention in Milwaukee that October, Mr. Kittredge announced that the Institute had enrolled "not quite 2,000 members," that about 600 were regularly taking the lesson courses, and that the "Bulletin of the American Institute of Bank Clerks" had made its debut, with more than 2,000 paid subscriptions. Messrs. Kittredge and Allen were the editors.

Surveying the young Institute's accomplishments, Mr. Kittredge said "it would seem that the effort has been eminently successful."

"In addition to the specific results that have been accomplished, it is manifest that a foundation has been laid broad enough and deep enough to sustain anything which may be erected thereon."

As George Allen said in the first issue of the *Bulletin* (June 1, 1901):

"It is for employees to avail themselves of its (the Institute's) facilities. Napoleon once said something to the effect that in war Providence was on the side of the best equipped army. Providence shows the same sort of discrimination in business life. The so-called lucky man is the man who trusts nothing to luck. Superior skill is what conquers."

"Successful banking implies accurate conception of every important line of business, superior judgment of human nature, unquestioned integrity and hard work. Something can be learned from history, still more from study and observation of present conditions and methods. It is neither

upon the past nor the present, however, that young bankers must depend for success. The future is their field, and they must grapple with the broad problems which we are only now beginning to see and appreciate."

Fred Kent Reminiscences

The first national president of the Institute was Fred I. Kent, then of Chicago, now of New York. However, he didn't have that title.

At the A.I.B.C.'s first national convention, held in Cleveland in September 1903, Mr. Kent was chosen "permanent chairman," an office corresponding to the presidency of today. From 1903 to 1908, when the organization's name was changed to the American Institute of Banking and some alterations were made in its form, it actually had parallel officers: those who, like Mr. Kent, were chosen at the conventions and served in the periods between them, and those chosen by the board of trustees. In 1908, at the Providence convention, that board was abolished and its functions assigned to the Institute's Executive Council.

But Mr. Kent is known to every A.I.B. person as the first president. His long and active interest in Institute affairs, his many appearances before Institute groups large and small, and his remarkable memory of events in the A.I.B.'s early history, made him an inevitable candidate for an interview in connection with this sketch. He obligingly accepted BANKING's suggestion that he "reminisce," and so we called on him in the down-town New York office which is his business headquarters.

"Maybe," said Mr. Kent at the opening of the conversation, "you'd better ask me some questions."

Well, when did he first get into Institute work?

Soon after the A.I.B.C. was formed, back in 1901. He was then with The First National Bank of Chicago.

"One morning," he recalled, "James B. Forgan, the bank's president, called me into his office. He said he wanted to talk to me about the Institute. He told me something about the progress it was making and then remarked that he'd been asked to help form a Chicago chapter. Would I, as representative of the bank, meet with other bank people and talk it over?"

A meeting was held and Chicago Chapter was organized April 7, 1901—No. 4 on the national roster—and Fred Kent was made its president.

Fred I. Kent, first national president of the Institute



"I was interested in the work," he continued, "because in my job at the bank (I had charge of domestic exchanges, sorting the mail, the 'New York books,' telegraph transfers, etc.) I'd noticed many men who seemed to have reached the limits set by their abilities, and were becoming dissatisfied. But it occurred to me that with a bit of study they might go considerably further in the bank; and that was where, I thought, the Institute could help.

"As a matter of fact, I'd made it a practice to move around the bank as much as possible, helping other fellows with their chores so that I might learn more about banking. The Institute's study program, I felt, would most certainly broaden my background—and why not others', too?

"One of my first jobs was to arrange with 'Uncle George' Allen, then assistant to the secretary, for additional copies of the *Bulletin* for distribution to new members so that they could have a complete file, and for prospects as a whetstone to sharpen their interest. When the magazines arrived from New York I stored them under my desk.

"One day the bank decided to do some housecleaning and the staff was told to throw away, among other things, accumulations of old papers. I happened to be off the morning the clean-up squad went to work.

"Now the man who tidied up my premises was one of those who didn't think much of this new-fangled A.I.B.C., so when he saw the stacks of *Bulletins* under my desk he thought, 'Humph—Kent doesn't even read 'em. Out they go.' And they did.

"Well, the next day I missed my magazines and made some inquiries. Finding the man who had cleaned house too well (for me), I told him why I had been keeping those *Bulletins*, explaining their value and their use to others. I must have been a good salesman, for he not only apologized but joined the Institute!"

At the first convention in Cleveland, Mr. Kent, as chairman of the committee on arrangements, was responsible for the program. Among the troubles besetting him was this one:

"When Dave Wills arrived at Cleveland from Pittsburgh he told me that our president (that is, the president of the board of trustees), J. B. Finley, head of the Fifth National Bank of Pittsburgh, couldn't come to the convention; he had other engagements. There was no use trying to persuade him, Dave insisted—he just couldn't make it.

"Well, it seemed as though the president was quite an important part of a convention (especially a first one), so I put in a phone call for Mr. Finley. Service wasn't as good then as now, but I finally got him. And I said:

"Mr. Finley, Mr. Wills tells me that you can't attend our convention and make the address as president of the association. As this is the first convention of the combined chapters and you are advertised to speak, it seems essential that you do so, and I am sure that you must feel the same way about it. I'll appreciate it, therefore, if you'll let me know what train you'll be on so that I can meet you."

"He replied that he was sorry, but something had come up and we'd have to get along without him.

"My answer was this: 'Mr. Finley, what train shall I meet?'

"Again he assured me that I couldn't meet him because he wasn't coming, and again I repeated my question.

"After that little exchange—my question and his vigorous answer—had been repeated several times, Mr. Finley said, all right, he'd come. And he did.

"Knowing from what Mr. Wills had said that Mr. Finley

(CONTINUED ON PAGE 116)

45 Institute Conventions

| <i>Convention City</i> | <i>President Elected</i> | <i>Dates</i> |
|----------------------------|--------------------------|-----------------------|
| (1) Cleveland | Fred I. Kent | September 18-19, 1903 |
| (2) St. Louis | Alfred M. Barrett | August 25-27, 1904 |
| (3) Minneapolis | George H. Richards | July 20-22, 1905 |
| (4) Atlantic City | Fred A. Crandall | September 6-8, 1906 |
| (5) Detroit | A. Waller Morton | August 22-24, 1907 |
| (6) Providence | Franklin L. Johnson | July 23-25, 1908 |
| (7) Seattle | Newton D. Alling | June 21-23, 1909 |
| (8) Chattanooga | Ralph H. MacMichael | June 8-10, 1910 |
| (9) Rochester, New York | Raymond B. Cox | September 7-9, 1911 |
| (10) Salt Lake City | Byron W. Moser | August 21-23, 1912 |
| (11) Richmond | Harold J. Dreher | September 17-19, 1913 |
| (12) Dallas | William S. Evans | September 22-24, 1914 |
| (13) San Francisco | Robert H. Bean | August 18-20, 1915 |
| (14) Cincinnati | E. G. McWilliam | September 20-22, 1916 |
| (15) Chicago | Rudolf S. Hecht | September 12, 1917 |
| (16) Denver | J. Cameron Thomson | September 17-19, 1918 |
| (17) New Orleans | Gardner B. Perry | October 7-9, 1919 |
| (18) Boston | Stewart D. Beckley | June 15-17, 1920 |
| (19) Minneapolis | Robert B. Locke | July 18-22, 1921 |
| (20) Portland, Oregon | Carter E. Talman | July 16-20, 1922 |
| (21) Cleveland | Clarence R. Chaney | July 16-20, 1923 |
| (22) Baltimore | Edwin V. Krick | July 14-18, 1924 |
| (23) Kansas City, Missouri | Bruce Baird | July 13-17, 1925 |
| (24) Dallas | Paul B. Detwiler | July 12-16, 1926 |
| (25) Detroit | P. R. Williams | July 11-15, 1927 |
| (26) Philadelphia | Frank M. Totton | June 18-22, 1928 |
| (27) Tulsa | W. J. Evans | June 10-14, 1929 |
| (28) Denver | Ben Alely | June 16-20, 1930 |
| (29) Pittsburgh | Henry J. Mergler | June 8-12, 1931 |
| (30) Los Angeles | Frank N. Hall | June 6-10, 1932 |
| (31) Chicago | Albert S. Puelicher | June 12-16, 1933 |
| (32) Washington, D. C. | Charles F. Ellery | June 11-14, 1934 |
| (33) Omaha | Maynard W. E. Park | June 10-14, 1935 |
| (34) Seattle | Henry Verdelin | June 8-12, 1936 |
| (35) Saint Paul | Frank R. Curda | June 7-11, 1937 |
| (36) Louisville | Milton F. Barlow | June 6-10, 1938 |
| (37) Grand Rapids | Harry R. Smith | June 5-9, 1939 |
| (38) Boston | J. Leroy Dart | June 3-7, 1940 |
| (39) San Francisco | George T. Newell | June 2-6, 1941 |
| (40) New Orleans | David E. Simms | June 8-11, 1942 |
| (41) Chicago | David L. Colby | June 9-10, 1943 |
| (42) St. Louis | William C. Way | June 6-8, 1944 |
| (43) Cleveland | David T. Scott | June 3-6, 1945 |
| (44) Cincinnati | George J. Greenwood, Jr. | June 10-13, 1946 |
| (45) Detroit | | June 2-6, 1947 |

A View of the A.I.B. Office

FLOYD W. LARSON

Scores of thousands of men and women have profited by the courses which the American Institute of Banking makes available to the personnel of banks in the United States. It seems safe to say that few of these people, while they were "going through" the Institute, stopped to realize the intricate organization which, at work behind the scenes, helped make their studies possible. In this article National Secretary FLOYD W. LARSON tells how the national office functions.

AS YOU read this story about the operations of the American Institute of Banking national office, certain facts should be kept in mind. The Institute is composed of approximately 220 chapters, 150 study groups, and 1,000 correspondence students. Its membership is close to 80,000; it has an average annual class enrolment of over 40,000 and a faculty of around 1,000. There are 15 men serving on the executive council, 76 serving as associate councilmen, and 93 serving on national committees. Each chapter has a set of officers, a governing board, and committee chairmen.

National office operations may be classified under three main headings: service activities, record keeping activities, and organizational activities.

Service Activities

Elective Officers. Our service to elective officers includes such things as handling the mechanics on the appointment of national committees, special committees, and associate councilmen; editing reports, articles, and speeches; arranging chapter visits and itineraries; preparing and assembling agenda, reports, material and minutes for national officers' meetings; preparing numerous periodic reports on membership, enrolment, finances, textbooks, etc.; preparing daily calendars of convention and other activities; and giving information and advice on various phases of Institute activity.

Executive Councilmen and Associate Councilmen. We serve them by preparing and assembling agenda, reports, minutes, correspondence and other material for council meetings; by supplying various periodic reports to keep them informed on the progress of the Institute and its financial condition; by providing them with instructions, report forms, material, chapter and study group prospects, and sales pieces, to assist them in promoting Institute activities in their respective areas.

National Committees. Our job is to provide the chairmen and members with necessary instructions covering their duties; to supply them with the proper tools, such as letterheads and names of chapter presidents and local committee chairmen; to check the reports and time schedules of the chairmen; to correspond with them about the work and any special assignments; to assist the chairmen in preparing their convention conference programs; and to assist the national public speaking chairman and national debate chairman in planning and conducting the national public speaking contest and the national convention debate.

Chapter and Study Group Officers. The national office supplies them with copies of the Institute catalogue contain-

ing full details of the educational program as well as with manuals, booklets and mimeographed material designed to help the officers and committee chairmen do an effective job. It prepares and provides advertising posters and folders at cost. It arranges to have certificates engrossed and mailed to the proper chapters and study groups; carries on extensive correspondence with chapter and study group officers and instructors on matters relating to texts, procedure, examinations, credits, certificates, equivalent credits and many other activities; supplies chapter presidents with a monthly calendar and check list of their duties; handles orders for A.I.B. pins, rings, and keys; supplies information regarding names of past officers and names of students who have credits or certificates when chapter records covering such matters are inadequate, misplaced or lost; reviews chapter articles of association and by-laws and amendments thereto; and provides or suggests speakers for forums, seminars and banquets; also, national office personnel serve as speakers at such meetings.

MEMBERS. We serve Institute members through the medium of the quarterly *Bulletin*. For each issue of the *Bulletin* there is the planning of contents as well as the selection and assembly of material. Once an issue is in preparation there is the job of editing the material, typing copy for the printer in prescribed form, reading and checking galley proof, selecting photographs to match articles, planning layout, checking page proof, planning cover layout, and selecting color scheme.

After each issue is off the press there is the job of distributing office copies, thanking contributors, returning photographs and filing a notice with the post office.

Instructors and Students. Our instructors and students depend upon us for text material that is up-to-date and of the best possible quality. Therefore, of all the services performed in the national office, the one which involves the preparation and production of textbooks and related material ranks among the most important.

To do justice to this phase of Institute operations would require a separate treatise of several pages. However, a summary of the work would include making arrangements with authors and critic committees, editing and retyping manuscripts, correspondence and conferences with authors and critic committees regarding manuscript changes, checking quoted material, verifying statistical matter, preparing illustrations, making arrangements with printers, proof-reading, handling page layout, checking page proof, preparing indexes—in fact, performing the thousand and one details necessary to turn out a finished product.

Additional services include the preparation, editing, mimeographing and distribution of instructors' manuals, practical exercises for correspondence students, examination questions, and other material, all designed to help students and instructors in their work. There is also the preparation, editing, printing, and distribution of *The Faculty*, a publication for instructors, chapter and study group officers and educational leaders.

The person responsible for a large part of this work is Miss Marion Turner, assistant to the educational director, who has been a member of the national office staff for 24 years. In her work as text editor during all these years as well as in other capacities she has rendered faithful and meritorious service to the Institute.

Record Keeping Activities

Course Credits. A record of all courses completed by students from the time the Institute started is kept on 4 x 6 cards. There are approximately 300,000 such cards now in our files. Each card shows the name of the student, his bank address, his chapter, the courses completed, dates of completion, the grades received, and certificates earned.

This activity involves verifying the names and addresses of students by checking the official report forms with the membership records, checking report forms to see that Institute requirements as to educational standards are met, verifying the calculations of grades on report forms, posting the credits of 30,000 to 50,000 students each year, watching (when posting credits) for names of students who qualify for certificates and notifying chapters and study groups to this effect, supplying chapters and study groups with reports showing the names of students receiving course credits, together with their grades, so that this information may be passed on to the students.

Membership. The names and addresses of 80,000 members are recorded on addressograph plates. Each year the membership files are completely revised, in accordance with changes reported by chapters and study groups. Card records are set up to reflect the constantly changing membership picture and to keep our records in balance with those of our units. It is from these cards that monthly, quarterly and annual membership reports are prepared.

Bulletin envelopes are run from the addressograph plates four times a year and are then sorted according to postal regulations before being sent to the printer for mailing purposes.

Procedure Books. Because of the large volume of correspondence, form material and mailings, procedure books have been set up for much of the office routine, and staff members use these books as their guides. Each book contains a list of the things that need to be done month by month, samples of letters and forms that need to be written and

prepared, and directions for accomplishing the objectives of the particular activities. Thus a new employee being trained for a specific job has at her command a complete procedure covering the operations that need to be performed from the time the job starts until it is finished. The office now has a total of 28 procedure books.

Functional Control Book. This control book is set up chronologically and contains a monthly summary of the operations covered in the procedure books as well as other operations, such as reminders to have letterheads printed, material mimeographed, and manuals and booklets reprinted.

Correspondence Students. A complete record is kept of all the work done by correspondence students, mainly for our own needs but also in order that we may supply the Veterans Administration regional offices with reports on the progress of some 450 GI students. Card records are set up for each student to show his name and address, lesson grades, final examination marks, and course grades, and to record the dates on which lessons and final examination papers are received, sent to the examiners, returned from the examiners, and sent to the students.

Accounting. The activities in this section include the handling of orders, the maintenance of financial records, the purchase of supplies, the preparation of monthly and periodic financial reports for the national officers and executive councilmen, and the vouchering and payment of bills. This work in the main includes making arrangements and corresponding with printers, paper companies and other suppliers, billing chapters and others for material purchased, preparing, checking and mailing monthly statements, setting up subsidiary books to reveal pertinent financial data, maintaining accurate inventories, and arranging for the storage and shipment of textbooks.

Miscellaneous. Central files through which more than 50,000 units of correspondence flow, and various miscellaneous records requiring verification, posting, and checking are maintained. A follow-up file of carbon copies is also kept and used for double check purposes.

Organizational Activities

National Officer and Executive Council Meetings. Council meetings are held in January and June for the purpose of
(CONTINUED ON PAGE 126)

These are the people who are responsible for the innumerable administrative functions of the Institute—the headquarters staff in New York. Seated at extreme right, Helen Coffey, Secretary Larson, Assistant Secretary Robert C. Rutherford, Mildred Kottemann, Text Editor Turner, Catherine Wick, Educational Director William A. Irwin, and Associate Educational Director Leroy Lewis

WEIMAN & LESTER





An aerial view of the business and financial section of Detroit

FAIRCHILD AERIAL SURVEYS, INC.

Third Institute Convention in Detroit

MORE than 1,500 men and women delegates from the banks of the nation are attending the 45th annual convention of the American Institute of Banking in Detroit June 2-6, according to George J. Greenwood, Jr., 1946-47 national president. Mr. Greenwood is vice-president of The Bank of California National Association, San Francisco.

Herman B. Wells, president of Indiana University, Bloomington, and James V. Carmichael, president of Scripto, Inc., of Atlanta, Georgia, are the principal speakers at the first and second general sessions.

C. W. Bailey, president of the First National Bank of Clarksville, Tennessee, and of the American Bankers Association, is extending the Association's greetings to the delegates at the opening convention session. Charles T. Fisher, Jr., president of the National Bank of Detroit and of the Detroit Clearing House Association, appears on the program as the welcoming host for the local banks.

Mr. Wells served as field secretary of the Indiana Bankers

Association from 1928 to 1931 and presently is an advisory member of the A.B.A.'s Research Council. He is an outstanding leader in the educational field.

During Governor Arnall's term as Governor, Mr. Carmichael served as his executive agent and as a member of the commission to redraft Georgia's constitution. He was a candidate for the Governorship in 1946. Between 1935 and 1938 he served on the Economic and Tax Revision committees of the Georgia General Assembly.

A full fare of conferences, including educational, chapter administration, debate, publicity, public relations, public speaking and women's were arranged by the program committee, headed by Garnett A. Carter, Institute vice-president. In addition, a complete program of departmental conferences is being featured for the first time since 1942.

The departmental conferences, arranged by Committee Chairman J. Leroy Dart, who is president of the Florida National Bank, Jacksonville, and was the 1940-41 Institute president, include discussions on bank management, bank

Mr. Greenwood

Mr. Carter

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Mr. Faylor



Mr. Chaney



HARRIS & EWING
Mr. Wells



Mr. Carmichael

operations, business development and advertising, credits, savings, and trust business and investments. Prominent bankers from all sections of the country are participating in these conferences.

At the women's conference, arranged by National Women's Committee Chairman Alice I. Jones, of the Third National Bank and Trust Company of Scranton, Pennsylvania, a women's panel is discussing "Woman's World." Dr. William A. Irwin, national educational director of the Institute, is acting as interlocutor.

Aside from the general sessions and Institute and departmental conferences, convention "musts" for everybody include the National Public Speaking Contest for the A. P. Giannini Educational Endowment prizes on Monday evening, when eight regional contestants will vie for the \$500 first prize, and the National Debate on Tuesday evening. Because of wartime restrictions, this is the first debate since 1942.

Caucuses for the election of candidates for national office are being held on Thursday evening and are sure to draw a full house. Office seekers and their campaign managers appear before the delegates and bid for their votes and, in return, the candidates are put on the spot with some good natured ribbing.

This year's candidates are: For *president*, Garnett A. Carter, vice-president, Fulton National Bank, Atlanta,

Georgia; *vice-president*, Pierre N. Hauser, vice-president, First-Wisconsin National Bank, Milwaukee; *executive council* (four to be elected), Edward J. Damstra, Chicago City Bank and Trust Co.; Albert H. Gabel, Savings Bank of Utica, New York; George E. Levine, Providence (R. I.) Institution for Savings; and Byron Wilson, The Central Bank and Trust Company, Denver.

Installation of the national officers is formalized at the final general session on Friday, June 6.

Clarence R. Chaney, vice-chairman of the board, Northwestern National Bank, Minneapolis, 1923-24 A.I.B. president, and 50th Anniversary Committee chairman, is appearing on the final session program to tell convention delegates about the plans of his committee for the observance of the Golden Anniversary of the Institute in 1950.

This is the third convention of the American Institute of Banking to be held in Detroit during its 47 years of service. Oddly enough, each previous convention held in the Motor City also fell in a year ending in seven—1907 and 1927.

Earl J. Faylor, vice-president of the National Bank of Detroit and a former president of Detroit Chapter, is general chairman of the Detroit arrangements committee. General vice-chairmen are Albert O. Werner, Keith G. Cone, and John Wilt, and the secretary is Helen Hicks. Mr. Werner and Mr. Cone are both vice-presidents of the Industrial

(CONTINUED ON PAGE 93)

A hearty welcome greeted the 1927 delegates with a big banner at convention hall (Masonic Temple). Fashion-minded guests will find this a study in contrast

★

Mr. Sanger



Backstage in the Graduate School

WILLIAM POWERS

Mr. POWERS is registrar of The Graduate School of Banking conducted by the American Bankers Association at Rutgers University. He is also a deputy manager of the A.B.A. and director, Customer and Public Relations. He was graduated from the G.S.B. in the Class of '37.

THIS backstage view of The Graduate School of Banking will touch upon some of the non-educational operations that are so essential in maintaining a smoothly functioning instructional plan.

Elsewhere in this issue are facts concerning the establishment and curriculum of the school. Mention is also made of the nature and size of the faculty and the student body—approximately a thousand this year—and of the courses involving 250 hours of lectures and discussions, 16 months of extension work, thesis writing, and oral examinations.

The responsibility for most of the "mechanical" operations rests upon the registrar, and, although he is the writer of this review, which may be more or less complimentary to his office, he can perform this recording task without blushing, since the actual work is done by very able associates and assistants.

Finances

Money plays an important part in the G.S.B. program, and being bankers as well as educators we follow a system of budgetary control that assures a fair balancing of expense against income.

Salaries, fees and all of the many other operating costs receive considerable attention from the registrar and so does the collection of registration, tuition, diploma, printing and other charges made to students. The school has no handsome reserve of endowment funds, so the estimated operating

costs of \$150,000 or more for 1947-48 must be collected. And, with no personal slight intended, the only serious delinquent we have in our accounts receivable ledger is Uncle Sam, who owes us last year's tuition for a sizable number of veterans.

Operations

The faculty (as has often been truly said) also play an important part in the school. They set policy, establish procedures and furnish the experience and material that build effective courses. But someone has to pull together the data that form the basis for intra-faculty discussions and someone has to carry out the orders that make their decisions operative. The registrar's office takes over.

With policies and procedure set, operations swing into line. Catalogs are published and distributed. Student application forms are routed through from qualified bankers to Faculty Committee on Admissions. Preliminary instructions go out to accepted applicants, and these are followed by bills and further details on conduct in the school. Lecture outlines are obtained from instructors. These are mimeographed in large numbers, collated and placed in individual notebooks for students' reference.

Lecture schedules are set to suit the convenience of busy bankers and educators and to suit also the absorption ability of the student body.

The routine continues with the mailing of thousands of copies of extension problems received from faculty members and destined for the students. Then, the reverse operation of receiving the completed problems from students, forwarding them to checkers, receiving the graded papers back from checkers, recording the grades and transmitting to students the criticisms and key solutions follows.



REGISTRAR AND STAFF

Left to right, Margaret Price (at desk in foreground), Mary Smith, Ruth Free (standing), Gardiner Cobb, Doris Spolander (seated), Registrar Powers, Janet Johnson, assistant registrar, and Anne Hughes. This photograph was taken at the 1946 resident session of the school

Theses

Pages of written instructions on the building of a thesis are furnished each student, and the registrar follows up with the proper degree of pressure that results in the men's choosing their thesis subjects and submitting outlines of proposed subject development.

These outlines are assigned to faculty men who act as advisors to the students. Following consultations with his advisor, each student takes a number of months to write his thesis. During this period he may, and does frequently, get in touch with the registrar's office for information, advice, encouragement or sympathy. When completed, the theses flow into the office, most of them just before the April 30 deadline. The registrar, meanwhile, has set up a large number of three-man examining panels, and to these panels he assigns the theses for reading and criticism, which is used in the oral examination of the students in the following resident session.

Correspondence

The volume of correspondence, telephone contact and personal consultation involved in this series of operations is tremendous. On the whole the contacts are congenial, but occasionally situations become unpleasantly involved and frequently they have to do with criticisms, unreasonable excuses or oversights.

However, the registrar's assistants apparently enjoy voluminous correspondence because they go out of their way to keep in touch with students and alumni in order to stay informed on changes in the men's banking connections, promotions, illness, death and other important happenings. News of these events are periodically sent to all of the student and graduate groups, through special editions of our school paper.

Resident Session

Another series of operations, that may be of interest, concerns arrangements for the two-week resident session held each June at Rutgers University in New Brunswick, New Jersey.

After preliminary plans with the university are completed in the Spring, individual dormitory room assignments are

made for the current student body. The men are sent complete directions concerning the proper handling of their baggage and other settling details.

The registrar's office is lifted bodily and moved from New York to New Brunswick a few days before the session begins.

Then starts a real backstage job. Here are some of the high lights:

Cots, sheets, blankets, towels, soap, ash trays and a few other odds and ends have to be set in five or six hundred rooms in 30 buildings.

Laundry, cleaning, pressing, shoe shining and other personal services must be arranged for a thousand men.

Food must be bought and prepared for the serving of 45,000 meals.

Houseboy, housemaid, waitress, messenger and maintenance service must be organized. Most of this type of service is not regularly maintained by the university; about 350 temporary employees have to be hired.

The infirmary has to be set and doctor and nurse service made ready for constant use.

Special platforms, lecterns, lighting, picture-projecting and sound-amplifying equipment have to be installed in class or assembly rooms.

A post office has to be established and arrangements made for efficient handling of telegraph and telephone messages coming to the men from all over the country.

Daily New York papers must be delivered to each

(CONTINUED ON PAGE 124)



Right, part of the efficient staff concerned with serving 45,000 meals. Below, freshmen signing for meal tickets early in one of the resident sessions. Lower right, mail call





Treasury of Banking Research

RUTH O'NEILL

IF you were to read and absorb the American Bankers Association's library of Graduate School of Banking theses, you would, without doubt, be the best-educated banker in the world. You would be able to talk authoritatively on 800 different phases of banking.

In these volumes, the A.B.A. has available at all times for personnel of its member banks and anyone else with sufficient justification, the textbooks for a liberal, intensive correspondence course in banking, probably unequalled anywhere for concentration and authority. This storehouse of banking information is available without charge, upon request.

The 384 volumes now in this valuable library (and each year, the number rises) were carefully selected from 1,507 theses prepared by 1,507 Graduate School of Banking alumni, counting in their numbers 56 bank presidents, 167 vice-presidents, 101 assistant vice-presidents, and so on down through the bank officer categories. And these 1,507 theses were culled from thousands of volumes of financial material, as well as from the personal experience of banking leaders in the fields they represent.

Each volume represents three years of study and reading, selection and analysis, sweat and effort, and often the life career of a man, in most cases, directly engaged in the activity about which he writes. The enrolment requirements alone of the Graduate School assure that a capable, intelligent, experienced and successful bank officer will undertake to write a thesis.

The two objectives of the thesis itself (which is a requirement for a G. S. B. diploma) insure valuable contributions to the library. These objectives are: To compel research as an educational factor for the benefit of the student himself; and to build up through the theses a fund of authoritative facts, data, and theory on the science of banking for the ultimate benefit both of the profession and of the general public.

General requirement of the student is that "Your subject should be one of general interest with possibilities of broad treatment. This does not mean that the student should be thinking primarily of worldwide problems of central banking and international financial policies. There will be many subjects of common everyday bank operation which should not be overlooked. For example, practically all banks accept deposits. This simple everyday function of public service fairly bristles with possibilities for thesis treatment, both from the practical and from the economic standpoint.

"In preparing your subject matter, do not be afraid of advancing new ideas, provided only that they are based on a solid background of sound theory and fact. It is by no means

expected that you should agree with all the accepted authorities, even though they be members of the faculty of the Graduate School. Originality of thought, as well as of treatment, is not only acceptable but actually preferable to textbook bromides.

"Be sure of your facts and not too rash in your opinions. The two may not always be in harmony. Do not lean too much on written authority and textbooks. On many subjects both will be useful and in some cases indispensable. Do not use a reference for any other purpose than to prove a historic fact. For thesis purposes a statement cannot be considered true or exact because an admitted authority has said so. If you agree with an authority, so much the better. If you disagree with an authority, state why. Be careful not to overquote, that is, do not 'pad' the thesis with long quotations. Padding is noted and is not favored by your faculty panel. Make your own research and tests. They will be found interesting and productive. Experience alone proves or disproves the soundness of theory."

In many fields of banking literature, students of the Graduate School have made the first written studies on a subject or added substantially to previous works. When William T. Dunn, Bank of America, N.T. and S.A., San Francisco, wrote his thesis on "Practical Public Relations in Banking," in 1942, it was the first book of real facts on the subject. Even with five copies in constant circulation, the waiting list hovered consistently around 65.

Graduate School men are introduced to the project of their theses during their first term and write them between the second and third resident sessions at Rutgers University. By the second resident term, the student submits a brief outline of method and approach to his faculty advisor. The completed thesis must be in the faculty's hands a few weeks before his final resident session.

Prior to the opening of the last session, the student must appear before a faculty panel, two of whose members have read the thesis, for a 40-minute oral examination on the ground covered by the thesis.

If a faculty member finds particular merit in a thesis, it is submitted to a special committee of the Graduate School which selects those theses "which, for good and sufficient reasons, in their opinion should be made available for examination and study." This six-man panel has the right to call in any outside specialists to pass on the work, provided no man on the board is an expert in the field covered by the thesis under consideration. If approved, it goes to the American Bankers Association's library, and to the library of Rutgers University.

Right: Students awaiting thesis exam

Opposite page: Thesis exam panel

Below: Theses submitted by '40 class of G. S. B.



Over 5,000 requests to borrow theses have been handled since they were first made available in 1937, according to Mary P. McLean, A.B.A. librarian. These requests come from banks and libraries, colleges and universities, bank officers and students. They represent a nationwide bank coverage and a scope of readership which is constantly increasing and broadening.

Some of the subjects which enjoy present popularity on the request list are: Branch banking, statement analysis, bank building, bank advertising, bank employee relations, service charges and public relations.

The three theses covering subjects of most interest at the present time in the order of their prominence, are: "Cost Accounting Procedure for Banks," by Harold E. Randall, The First National Bank, Boston; "Cost and Income Accounting and Its Practical Application to Banking," by James H. Kennedy, The Philadelphia National Bank, Pennsylvania; and "Practical Public Relations in Banking," by William T. Dunn, which has ranked well in the front ever since it was written in 1942.

Other theses in continuous demand are: "The A B C of Commercial Letters of Credit," by John L. O'Halloran, Manufacturers Trust Company, New York; "Cost Analysis of Personal Trust Accounts," by Frederick E. Atkinson, Rhode Island Hospital Trust Company, Providence; "Development of an Operating Manual for a Country Bank," by Carl W. Trempl, The First National Bank, Boston; "Manuals of Procedure," by Arthur P. Ringler, Chemical Bank and Trust Company, New York; and "Value of a Personnel Program for Banking Institutions," by Leslie K. Curry, Mercantile-Commerce Bank and Trust Company, St. Louis, Missouri.



Eleven of the theses have been published in book form.

The Graduate School of Banking has published three: "Adaptability of the Mortgage Pool to Trust Investment," by Malvin F. Gstalder, The First National Bank, Williamsport, Pennsylvania; "Trust Examination—An Examiner's Analysis," by Edwin P. Neilan, Security Trust Company, Wilmington, Delaware; and "Trust Business in the Future—Its Association with Banking," by John W. Remington, Lincoln Rochester Trust Company, Rochester, New York. Jointly with the author, the G. S. B. has also published "Assignment of Life Insurance Policies as Collateral Security," by Robert C. Tait, Mellon National Bank & Trust Company, Pittsburgh.

"Policy and Procedure in the Security Investment Account of a Commercial Bank," by J. Harvie Wilkinson, Jr., State-Planters Bank & Trust Company, Richmond, Virginia, has been published commercially under another title.

The Financial Advertisers Association put into book form "Planning and Budgeting a Bank's Advertising Program," by Robert Lindquist, American National Bank and Trust Company, Chicago.

"Plan to Provide for Liquidity and Flexibility of Funds and the Stabilization of Profits in Commercial Banking," by Harold Eugene Zarker, First Bank and Trust Company, Perth Amboy, New Jersey, was published by Bankers Publishing Company, under a new title.

"One Man's Bank," by William T. McCaffrey, Lincoln National Bank and Trust Company, Syracuse, New York, was published by that bank. In thesis form, the title was "Comparative Study of the Banking Systems of England and the United States."

The most recent thesis publication was "The Use of Mutual Investment Funds for Trust Investments," by Alec B. Stevenson, The American National Bank, Nashville, Tennessee. The book is published by Vanderbilt University Press.

A glance at the cumulative index of theses reveals some idea of the variety of subjects exhaustively studied. "The A B C of Commercial Letters of Credit"; "Accounts Receivable Financing as a Bank Credit Function"; "Action Copy in Bank Advertising"; "Activities of the Federal Government in the Lending and Thrift Business"; "Activity Charges on Personal Trust Accounts"; "Adaptability of the Mortgage Pool to Trust Investment"; "The Administration of Consent and Direction Trusts"; "Administration of Estates across State Lines"; "Administration of Foreign Funds Control in the United States" are a few of the titles indexed under the letter "A."

What It Takes to Be a Banker

LEROY LEWIS

The author, who is associate educational director of the American Institute of Banking, analyzes in this article the answers to a questionnaire designed to find out what it takes to be a successful banker and sent by BANKING to a cross-section of bank personnel directors.

As a prerequisite to bank employment, what should high school and college students emphasize when it comes to (a) personal qualities and abilities and (b) academic training?" This was the first of four questions recently asked of bank personnel directors across the country in areas served by chapters and study groups of the American Institute of Banking. The answers should serve as a guide to high school and college graduates interested in banking as a career.

Although these personnel men suggested scores of desirable personal qualities and abilities for prospective bank employees, the six traits most frequently listed were: (1) Integrity; (2) personality; (3) mental alertness; (4) initiative; (5) neatness; and (6) cooperation. It is to be expected that integrity would be at the top of such a list, but it may surprise one to discover that personality, as an essential trait for tomorrow's bankers, is tied with integrity in importance.

Integrity, this survey reveals, includes such virtues as personal responsibility, punctuality, and loyalty. It grows out of clean habits, good associates, pride in work, stability of effort, and trustworthiness. It means that an individual is reliable, dependable, and possesses character.

Bankers also must have *personality*. This attribute includes courtesy, friendliness, pleasantness, and tact. It implies that the banker must possess the ability to meet and talk with people, that he must have poise and leadership qualities. One personnel man insisted on good diction.

Mental alertness suggests the need for analytical ability, an aptitude for mathematics, accounting, and law, and a high level of general intelligence. It suggests, also, the need for imagination, an interest in bank work, and a desire for self-advancement.

Initiative, another essential trait for prospective bankers,

Chapter officers and faculty members from Delaware, District of Columbia, Maryland, New Jersey, lower New York and Pennsylvania, and national officers at regional conference in Philadelphia



implies resourcefulness, willingness to work, alertness, ambition, and tenacity. It suggests determination, perseverance, and stick-to-it-iveness if one desires success in banking.

Neatness, the fifth quality suggested by bank personnel directors, applies to one's appearance, work, and personal habits.

The last of the suggested personal qualities is *cooperation*. We must all learn to get along with people. We must learn to adapt ourselves before we leave high school or college for a banking career.

What academic training should high school and college graduates possess when they apply for a bank position? It is almost unanimously agreed by bank personnel men that applicants should have a general background in commercial subjects, such as commercial law, bookkeeping, arithmetic, shorthand, typing, machine operation, and salesmanship. Ranking second in importance is the field of accounting, with emphasis on such related courses as higher mathematics and finance. A close third in recommended academic training is English, with special emphasis on grammar, composition, spelling, letter writing, vocabulary building, and business English. The fourth subject matter area is economics and business administration. The fifth is public speaking and reading. These five academic areas, say the personnel directors, are prerequisite to bank employment. Courses in history, political science, psychology, and sociology would be helpful, say personnel men.

THE second question asked of bank personnel men was: "Once employed, what are the characteristics most likely to lead to a successful banking career?" From the large number of attributes suggested as essential for success in banking, the following five basic requisites should be helpful in aiding bank people to climb up the ladder:

- (1) Ability to work with others;
- (2) Willingness to apply yourself to your job;
- (3) An aptitude for and an interest in banking;
- (4) The desire to learn and the ability to assimilate new material; and
- (5) Willingness to accept responsibility.

The first requisite, *ability to work with others*, was almost a unanimous choice as revealed by the questionnaires. The acquiring of this trait—and it is an *acquired characteristic*—means that you must be courteous, tactful, diplomatic, sincere, cooperative, and adaptable. You must learn to know your fellow-workers and understand them, you must know the bank's customers and appreciate them, and you must know and be able to live with yourself.

The second requisite, *willingness to apply yourself to your job*, suggests that you must be industrious, diligent, and dependable. You must be able to follow instructions, to handle details, to follow through until a job is finished. Determination, stick-to-it-iveness, and seriousness of purpose are attitudes that will help you achieve this second characteristic essential to your banking career.

The third requisite, *an aptitude for and an interest in banking*, implies that there must be a basic interest in banking

techniques and perhaps also a sharp interest in the broad fields of credit and investment. Certainly you must like details, have an aptitude for accuracy, and show deep interest in figures and finance.

The fourth requisite, *the desire to learn and the ability to assimilate new material*, emphasizes the need for continued study during your banking career. "One must have a desire to become a better banker through study," said one personnel officer. Another commented, "You must be willing to study current business and banking problems." Still another said, "You must pursue the courses of the American Institute of Banking." It was urged also that you learn to "read well, understand what you read, and speak effectively about it." Others urged that you possess "curiosity," "imagination," "intelligence," "ambition," "vision," and the "ability to use one's knowledge."

The fifth requisite, *willingness to accept responsibility*, strikes at the heart of one of the truly great needs of modern business. Too many men and women are satisfied when they acquire skill in a particular operation. But this is not enough. Positions farther up the ladder will require willingness to accept responsibility even in your present position. To accept responsibility you must have good judgment, be a close observer, possess initiative. To become known as a responsible person, you must be a person of integrity, ingenuity, and loyalty. Good health, energy, vitality, and sometimes aggressiveness will aid you in fulfilling the responsibilities which you are willing to accept.

The third question posed to these personnel men was this: "Is there any real demand in your bank for courses not now afforded by the American Institute of Banking? If so, what?" More than half simply replied "no" to the question. Some added that the curriculum of the Institute was quite complete so far as courses in banking, law, economics, and accounting are concerned.

Almost half of the replies, however, indicated that there is a need for courses not now offered by the Institute. Of these, almost 80 percent suggested a course in writing. In recommending such a course, one personnel director said, "Few high school and college graduates can write a good business letter." Another commented that "many bank officers do not dictate good letters," and another said that "bank employees need to learn how to write a simple memorandum." Others suggested that such a writing course should include instruction in "grammar, spelling, business English, and letter-writing." The other 20 percent who felt that new courses were needed suggested such courses as "current literature, public relations, taxation, foreign exchange, international trade, personality development, and stenography."

ALTHOUGH the Institute curriculum exists primarily for the purpose of teaching banking and related subject matter, this survey reveals definitely that a writing course is essential, too. Many local chapters have offered such a course. Others may do so as local need arises. The national organization has always urged its local chapters to offer any course in any field for which there is a local need. In the fields of public relations, foreign exchange, taxation, and international trade, the national organization has recommended that forums and seminars on these subjects be held by local groups as a means of informing the bank personnel of their areas. As these subjects become increasingly important, additional forums, seminars, and even textbooks can be prepared. The guiding principle of the Institute in its preparation of text material in banking and related fields is that of

endeavoring to meet the needs of the banks of the country.

The fourth question asked of these personnel men was: "Is the A.I.B. doing all it can to help train bank employees? If not, how can it improve its service?" To this question, 74 percent answered "yes", 14 percent replied "no", and 12 percent expressed no opinion. The reasons given for these points of view are worthy of some analysis.

The 74 percent of the personnel directors who felt that the A.I.B. is doing all it can to help train bank employees were generous in their praise. A Florida bankersaid: "The A.I.B. is doing an excellent job. . . . I can think of no constructive criticism to offer. . . . Every phase of banking seems to be covered in some Institute course and the books are prepared for actual bank employees. . . . The national office personnel is always willing to discuss any problem in a given city and offer helpful solutions." A Kentucky banker commented: "We are emphatically sold on the merits of the Institute. . . . Out of a total personnel of 240 people, including officers, porters, etc., 194 are enrolled as members." And, finally, from California: "Nationally, we believe the A.I.B. is doing an excellent job. . . . Locally the quality of educational work depends to a large extent on the size of the community and the quality of the chapter leadership and the supervisory interest taken by the senior bankers of the locality." The Institute is grateful, of course, for these expressions of confidence.

Now, let us look at the other side of the picture. From the 14 percent who felt that the A.I.B. could do more, many constructive suggestions were received. For example:

Michigan: "Banks could do more to encourage employees to take A.I.B. courses." *Mississippi*: "Needs more supervision by senior officials of banks and needs to adjust its program to postwar conditions." *North Carolina*: "There should be a closer liaison between the personnel men in banking and the A.I.B. leadership on a national level. . . . In fact, the A.I.B. should have an advisory group of bank personnel men." *Virginia*: "By improving textbooks." *South Dakota*: "Shorter and more intensified courses would go over better with a number of employees."

Alabama: "Our local chapter has been stereotyped. There is little variety in courses offered or social functions held to maintain the interest of older employees." *Arizona*: "Most of the classes I have attended were pretty dull (including one I taught once); the mortality of attendance is high."

Texas: "Courses of a more specific and technical nature covering operation, loan, and administrative functions could be added." *Virginia*: "By offering a few elementary courses in the basic studies of reading, writing, and arithmetic." *South Dakota*: "A.I.B. could possibly improve its service by more advertising through banks to let them know the program being carried on." *West Virginia*: "A real effort should be made to interest the senior officers in the opportunities offered by the A.I.B. program."

These are the ways, therefore, in which the Institute can improve its services: (1) By securing better teachers; (2) by getting more support from senior bankers; (3) by keeping its textbooks up-to-date; (4) by adding new courses when necessary; (5) by urging strong chapter leadership and planning; and (6) by advertising its services vigorously to banks.

These constructive suggestions should be considered seriously both by the leadership of the national organization and by the leadership of chapters and study groups. Bank management would do well, too, to meditate over the provocative suggestions presented by these personnel men.

Asset Value of A.I.B. Training

MARY B. LEACH

Prior to joining the editorial staff of BANKING, the author for several years was connected with a middle western bank, at which time she was active in American Institute of Banking chapter affairs.

IT is not uncommon for bank workers—particularly women—to get the notion that their banks do not consider American Institute of Banking training in making promotions and, for that reason, feel that it is futile for them to take A.I.B. educational courses.

To find out to what extent banks *do* consider American Institute of Banking training in making advancements and to get their evaluation of the merits of the Institute generally, BANKING recently queried a number of bank presidents throughout the country. Three quarters of those responding said that Institute training very definitely is taken into consideration when promotions are made. A good many of the remainder gave oblique answers, saying they give "slight" or "indirect" consideration to it, or that the knowledge is "evaluated." Very few gave an emphatic "no."

BANKING's survey offers more than a glimmer of hope to the employees in banks which said they give no weight to A.I.B. training in making promotions, for even these banks, in general, feel that both the banks and the worker profit greatly by Institute study on the part of the employee. Moreover, all factors considered, Institute study undoubtedly has a great deal more to do with promotions in these banks than even the officers themselves realize. The Barnett National Bank of Jacksonville, Florida, confirms this observation with the statement that while "A.I.B. training alone is not the determining factor when promotions are considered, in the majority of cases, the employees who have availed themselves of the A.I.B. training are better qualified and do a better job in the bank."

THIS leads to the conclusion that education of itself is not a passport to success. An LL.B. degree will not build a successful law practice any more than an American Institute of Banking prestandard or standard certificate will insure a successful banking career. Many other ingredients must be compounded with academic education to insure success. Some of these ingredients are pliability, dependability, imagination, enthusiasm, persistence, honesty, good hard work and common sense.

And even then success may elude us, for the road to success is crowded with those seeking a place on the summit and only a few, comparatively speaking, reach their goal. The gratifying part of it is that there are many jobs between the bottom and the top where bank employees can find their niche while preparing, through Institute study, for the jobs ahead. Many of the banks stressed the importance of being prepared.

A few typical comments by banks indicate bank policy, in general, with respect to A.I.B. training in making promotions:

A.I.B. training is considered "to the extent that the employee has taken full advantage of his opportunity to improve himself," said the Deposit Guaranty Bank and Trust

Company of Jackson, Mississippi. This bank, incidentally, reported that all but one of its senior officers started in the bank as a runner and because of the A.I.B. classes made progress in the bank. It is probably on the conservative side to estimate that a majority of the top officers in at least half of the banks served by the Institute are either certificate holders or have had some Institute training.

"All other things being equal, the person who has taken outside courses is given preferment," said a large Boston bank.

"When promotions are to be made," reports the Walker Bank and Trust Company of Salt Lake City, "one of the considerations is—has the employee taken advantage of the educational features of the A.I.B.?"

"Consideration is always given to those attending the A.I.B. classes when any promotions are in the offing," said The Dollar Savings and Trust Company, Youngstown, Ohio.

CONSIDERATION is given to the fact that the employee has shown interest enough to complete A.I.B. work," The National Bank of Commerce, Seattle, said.

"Where all other factors are equal," writes the American Trust Company, San Francisco, "it may be the determining factor in the selection of the one to be promoted."

"Fact is noted, but does not govern our action," said the Fidelity Union Trust Company, Newark, New Jersey.

"The training is valued on the basis of points in our job classification program," said The Winters National Bank and Trust Company, Dayton, Ohio.

"No," said one bank, "except as it may have improved qualifications."

In answer to the question, "Is it the policy of your bank to encourage your employees (a) to join the A.I.B., and (b) to enroll in Institute classes?" the response was unanimously affirmative, albeit with varying degrees of enthusiasm, as revealed by comment. There was an obvious relationship between the degree of enthusiasm for Institute membership and enrolment and in the appraisal of its benefits. In general, banks which uninhibitedly advocate employee membership

Denver Chapter is one of several having a schools committee to provide speakers to explain banking to school groups. James Sanbourne, teller at The Denver National Bank, who is chairman of Denver Chapter's bank and school committee, answers student questions after a talk at Smiley Junior High School in advance of student tours, in groups of 12, of downtown Denver banks



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Trusts I class of Los Angeles Chapter, taught by J. J. Tunnicliff, assistant trust officer, Citizens National Trust and Savings Bank

and class attendance wholeheartedly commend the advantages to the banks and to the employees.

In evaluating the answers to this question—"In your opinion, what are the most important advantages of A.I.B. training (a) to employees and (b) to the bank?"—it was a draw as to who profited most—employee or bank. Whereas one bank officer would consider certain gains an advantage to the employee, another officer, or in some instances the same officer, would consider these same gains an advantage to the bank. So the essence of the opinion, when thoroughly distilled, indicated parallel gains for employee and bank.

On the employees' side of the ledger the principal advantages listed were: Broadened knowledge resulting in increased efficiency, mental agility, poise, emotional stability; development of personality and leadership through contacts with employees of other banks, group debate, public speaking, etc. **Conclusion:** An informed employee is more efficient, more poised and better equipped to accept leadership.

On the bank side of the ledger the principal advantages listed were: Employee better informed in bank terminology, procedure and function in serving the public; hence, more capable, alert, better balanced and happier, better prepared for the job in hand and the one ahead, and more valuable from a customer relations standpoint. **Conclusion:** An informed employee is a happy employee and therefore less likely to seek employment elsewhere.

HERE is the way some of the banks expressed their views on the advantages of A.I.B. training:

Employee: "Keeps mind active; broadens knowledge of entire banking field; prepares for the job ahead." **Bank:** "Enlightened personnel effective in providing good service and public relations."—*Central Bank and Trust Company, Denver.*

Employee: "Helps them understand what they are doing at their daily work, which makes it more interesting for them." **Bank:** "By learning more about their work they become more efficient and give bank better publicity through customer relations."—*The Farmers State Bank, Breckenridge, Michigan.*

Employee: "Has a broadening effect from association with other banks' employees; increases knowledge of banking subjects, thus giving the employee a better chance to get ahead in the bank." **Bank:** "Bank secures a better informed group of employees; thus they are more efficient and work can be performed with more speed and accuracy."—*The First National Bank of Roanoke, Virginia.*

Employee: "Prepares them for opportunities, develops leadership." **Bank:** "Provides a pool of trained employees,

develops loyalty."—*The Farmers Deposit National Bank of Pittsburgh.*

As an incentive to their employees to enroll in Institute courses, more than 89 percent of the responding banks said they refund tuition, either before or after courses are satisfactorily completed. This includes the banks in areas served by study groups, which banks usually pay all expenses, as do many banks served by chapters.

In addition, 51 percent of the banks reported that they refund membership dues when employees successfully complete Institute courses. Forty-one percent of these banks give other recognition, such as paying for meals on class night; refunding the cost of textbooks, etc. In lieu of refunding tuition and membership fees, a few banks reported that they give bonuses either on the completion of Institute courses or when employees receive prestandard or standard certificates. Still others give flat salary increases. Memphis Chapter is one of several that do not levy tuition charges, for the reason that the banks underwrite all chapter educational expense through their local clearinghouse association.

The Bank of America is one of many banks having a liberal refund policy. It gives cash awards of \$15 to employees satisfactorily completing courses leading to pre-standard, standard and graduate certificates. In addition, it refunds tuition and cost of textbooks to those successfully completing "special courses along practical banking lines." It also refunds initiation fees and membership dues to staff members who enroll in study group courses and receive monthly salaries of \$176 or less.

"All students completing a course with a satisfactory grade receive a refund of the full amount of the tuition for each course taken," reports the Corn Exchange National Bank and Trust Company of Philadelphia. In addition the bank offers two awards: \$50 to students receiving the pre-standard certificate, known as the Quarter Century Club award; and \$100 to students obtaining the standard certificate, known as the David E. Williams award, in honor of the bank's president.

The Lincoln National Bank and Trust Company of Fort Wayne, Indiana, pays 50 percent of the tuition fee and refunds the remainder on the completion of the courses, when employees receive a grade of 90 or better. In addition, the bank offers prizes, as follows: \$75, \$50, and \$25 to the students receiving the first, second and third highest grades.

The First National Bank of Portland, Oregon, awards \$25 and \$50, respectively, to employees earning prestandard and standard certificates.

(CONTINUED ON PAGE 130)

Training for Mortgage Officers

HOWARD B. SMITH

THIS Summer, the American Bankers Association will launch a new educational venture in the field of home mortgage finance, in cooperation with the Division of University Extension and the Small Homes Council of the University of Illinois. The program, which is called the Junior Mortgage Officer Training Course, will be conducted on the university campus at Urbana, Illinois, from July 7 to 18.

The course is designed to help banks speed the training of junior mortgage lending officers, particularly those who have had limited opportunity to gain field experience.

The curriculum is heavily weighted with subjects pertaining to construction lending because of its current importance to banks and because construction loans are particularly difficult assignments for the trainee. Considerable stress will also be placed on the processing of home loans guaranteed by the Federal Housing Administration or the Veterans Administration. Training will emphasize operational rather than policy techniques.

The faculty will be drawn about equally from banks and from the university's schools of architecture, engineering and business. It will also include representatives of the Federal Housing Administration and the Veterans Administration.

The two-week session will be intensive. In logical sequence, the course will take the student, step by step, from land use, plans and specifications, home construction and appraising, all the way through mortgage servicing and merchandising, examining each phase by means of lectures, field trips and practical exercises. Four hours of lectures in the morning will be supplemented in the afternoon by a discussion period or inspection of housing projects of the Small Homes Council as well as other construction in process in the Champaign-

Urbana area. Evenings will be devoted to seminars or round table discussions.

TO AID the junior mortgage lending officer in following through with the various steps in construction, the first week's curriculum will include fundamentals of land planning and home architecture, construction and appraising.

The first two days will be devoted to land planning, home plans and specifications, exercises in blueprint reading, estimation of areas and cubage from plans and a study of building contracts and costs. An afternoon field trip will provide an opportunity to inspect nearby houses from the standpoint of land use, plan and design.

Two series of lectures covering principles of home construction and the fundamentals of home appraising will occupy the balance of the week. Construction lectures will start with the house foundations and proceed through the various stages to completion of the building. The housing research projects of the university's Small Homes Council will be utilized extensively for field trips in connection with these lectures. A similar process will be followed with appraisals.

For appraisal trips, the class will be broken up into six groups. Each will be assigned a specific property upon which it will make a complete inspection and appraisal. These will be reported to the class and constructively criticized by the instructor.

The second week will be devoted to a study of all aspects of mortgage loan processing and the analysis of applications with special emphasis on construction loans. The legal aspects of the loan transactions will be discussed in one

(CONTINUED ON PAGE 70)

Proposed campus center for integrated home research planned by the University of Illinois



State, Regional School Projects

THE bank customer who drops in to see his banker on a summer day is very likely to be told, "He's gone to college." From hundreds of cities and towns all over the U. S. A., bank officers and employees are taking from a few days to a few weeks to attend classes in agricultural economics, investments, trusts, consumer credit, bank management and many other subjects, held in various colleges and universities and given under the joint auspices of those institutions and the various bankers associations.

Largest of such educational facilities is The Graduate School of Banking conducted by the American Bankers Association at Rutgers University, New Brunswick, New Jersey (see page 32). But what the widely scattered state association-sponsored schools lack in size they make up in enthusiasm for their program and in hard-packed schedules of extremely practical work.

ONE outstanding project is the School of Banking for the Central States, sponsored by the University of Wisconsin and 16 state associations (Arkansas, Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota and Wisconsin).

The third annual session of this school is being held at Madison this year from June 2 to 14, with a combined student-faculty increase of 95 percent over last year. There will be approximately 270 students and 96 faculty members—40 more of the latter than in 1946. Last year's 130 students represented 92 cities in 16 states. The faculty itself is drawn from widely scattered points—last year from 11 states and the District of Columbia. Faculty members from many different colleges and universities teach at the school, as well as bankers, businessmen and attorneys, all specialists in their fields. A limited number of students from state and federal banking agencies are eligible for admission.

This year's session of the school is particularly significant, for it will produce the first graduating class, attendance at three summer terms being necessary for a diploma, in addition, of course, to year-round "homework."

First-year students at the Wisconsin school study basic economic problems, investments, commercial bank credit and law. Second-year students take commercial bank administration, investments, urban real estate financing, agricultural economics and agricultural credit. This year the seniors will study trust department operation and management, investments, country banking, departmental administration (covering savings, personnel, foreign, travel and safe deposit departments), public relations and advertising and world banking systems and problems.

The school has been approved by the Veterans Administration as an educational facility for the training of bankers eligible under Public Law 346 as amended.

A number of factors are responsible for the rapid progress of this particular school and its recognized success, not the least of which is recruiting of the faculty by Herbert V.



On one of the field trips of the Bankers School of Agriculture of the New York State Bankers Association, 1946 session. The subject under study by this group of students was dairy husbandry

Prochnow, director of the school and vice-president, First National Bank of Chicago.

Following are the section leaders for the third year courses, given for the first time this year: Harry C. Schaefer, vice-president, National Bank of Detroit; Emerson Lewis, vice-president (retired), First National Bank of Chicago; Harry Brinkman, vice-president, Harris Trust & Savings Bank, Chicago; Dale Brown, assistant vice-president, National City Bank of Cleveland; K. J. McDonald, president, Iowa Trust & Savings Bank, Estherville; Arthur Upgren, assistant editor, Minneapolis *Star Journal*, and professor, University of Minnesota.

Registrar of the school is Wall G. Coapman, secretary, Wisconsin Bankers Association. President of the Central States Conference, co-sponsor of the school, is Eugene P. Gum, secretary, Oklahoma Bankers Association, and chairman of the school's board of trustees is Harry C. Hausman, secretary of the Illinois Bankers Association.

BANKERS in the Pacific Northwest will have an opportunity to attend sessions this Summer of the Pacific Northwest School of Banking, which in August resumes operations interrupted by the war. Prewar sessions were held annually, 1938-41, and in the latter year approximately 100 students attended. Indications are for a record enrolment this first postwar year. The school is sponsored by the state associations of Washington, Oregon, Idaho and Montana, and is held at the University of Washington, Seattle.

Freshmen students take courses in management of earning assets, analysis of commercial loans, basic economic problems and legal problems of bankers. Second-year students take further work in management of earning assets and, in addition, commercial bank administration, economic problems, real estate loans and investments.

Director of the school is Harold C. Philbrick, assistant vice-president, Metropolitan Branch, Seattle-First National Bank.

Another important enterprise of this sort, even though more limited in its geographical coverage, is the Carolina Bankers Conference. At its opening in 1937 the conference was sponsored by the North Carolina Bankers Association and held at the University of North Carolina. A little later, South Carolina joined in the sponsorship, although confer-

(CONTINUED ON PAGE 122)

An Opportunity and a Responsibility

ROBERT M. HANES

On the opposite page is an announcement of the Bond-a-Month Plan which the Treasury launched June 1. On this page is the summary of an address made by Robert M. Hanes, president, Wachovia Bank and Trust Company, Winston-Salem, North Carolina, and chairman of the Small Business Credit Commission of the American Bankers Association. The address was given before a recent meeting of the Treasury Savings Bond staff and interested bankers in Washington.

BANKERS know that the most dangerous factor in national finance and the greatest risk to our nation's financial and economic stability is the presence of the tremendous national debt of \$260 billion. Bankers have every right to be concerned about this debt and the management of it, for we hold in our vaults approximately \$100 billion of the total amount. But all bankers know that this national debt should not arouse the concern of bankers and Treasury officials only. It is the problem of every American. It is particularly a matter of concern for every citizen who earns his living, owns private property or has an income from investments. The way this debt is managed will inevitably affect every person in the country, and our people should give the problem careful personal study and attention.

IN solving this, it is obvious that the more Treasury Savings Bonds our people own, the more conscious they will be of the national debt. They will respect it and will want to manage it well. No one has greater respect for a debt than the man to whom it is owed.

We are very fortunate in this country that, unlike many nations in the world, we were able to put so much of our war-created indebtedness into the hands of investors, and in turn have made investors out of so many of our citizens who never before had owned debt securities. If our insurance companies, savings banks and other institutional investors had not been so strong and willing, the banks would have had to absorb a vastly greater amount of the debt. We were lucky, too, that the American people were able and ready as individuals to buy bonds. Together, institutional investors and individuals own about \$160 billion of the public debt, and about \$50 billion of this is possessed by individuals. This is a splendid achievement but still it is not enough. The fact remains that the banks have underwritten more than \$100 billion of the Government's total debt. This sizable share, most of it short term, floating debt is the primary point of incidence in the intelligent management of the debt.

Good management of the national debt means a great deal more than just mechanical or market management of it. The market aspects are certainly important, but proper placement is momentous. Because the national debt that is held by the banks has a very direct and important effect on the money supply, the whole economic and business health of the nation is, to some extent, influenced by the position of banks as holders of this debt.

For some while now we have had inflation because not enough goods have been produced to satisfy the demand, and secondly because there has been a plentiful supply of money—money that has come into existence and gone into pocketbooks and bank accounts because our bank-held debt was monetized. It is not hard to imagine how much more severe this inflation could have been if the American people had not invested \$50 billion of that pocket, payroll and checking account money in Treasury bonds.

The danger that lies in the national debt is the danger of further inflation. The consequences of continuing price rises or of credit inflation are well known to all. We saw those consequences in the dismal years of the early 1930's. This time a boom and bust could be much worse. And in a depression it might be very difficult to pay the interest on a quarter-of-a-trillion dollar debt, much less pay any part of the principal of that debt. Let's look that fact in the face.

THE bank-held debt has been reduced substantially in the past year out of the Treasury cash balance. It must be reduced in the future out of budget surpluses. But the most effective way to reduce it is with the net proceeds of the Savings Bond account, from sales to individual and other non-bank investors in excess of maturities and redemptions of outstanding Savings Bonds. That method is doubly effective, for it pays down the bank-held federal debt and spreads the securities where they will do the greatest good. This means we must sell more and more Savings Bonds, and the Bond-a-Month Plan seems the best method of doing this.

The heavy concentration of the national debt in banks carries a threat to banking which in our own self-interest we cannot afford to overlook. The banking system, including the Federal Reserve, today holds about 30 percent of the securities representing the national debt. Commercial banks hold about \$75 billion. This is not only the dangerous part of the debt because of its inflationary potential, but it is dangerous to banking because of its political implications.

Servicing the national debt will cost this nation \$5 billion annually. In addition, we must begin to make substantial payments on the debt each year. This will not be easy, even in good times. When and if less favorable financial weather comes, we may hear bitter comments about the huge amounts of money required to carry and fund the debt. If the bulk of this debt is then held in banks, we may expect a new wave of ill will and scorching criticism, for already some advocates of state socialism are giving currency to the doctrine that payment of interest on the debt serves to enrich bankers.

The national debt should be much more widely held by our citizens. Only in this way shall we have the interest and understanding of the debt problem by all our people that is so necessary.

The concentration of the national debt in banks has tended to lead some bankers away from their principal and fundamental business of commercial banking. Instead of taking normal banking risks and supplying the credit needs of business, agriculture and individuals, they—a very few

(CONTINUED ON PAGE 104)

A LETTER TO AMERICAN BANKERS



THE SECRETARY OF THE TREASURY
WASHINGTON

MARCH 11, 1947

TO AMERICA'S BANKERS:

The attention of all America will be focused on the nation's banks during June and July.

At that time, the Treasury Department will, with the cooperation of America's bankers, inaugurate an easy, automatic system of purchasing Savings Bonds.

This will be known as The BOND-A-MONTH Plan.

It will be nationally publicized in newspapers, magazines, radio, farm publications, outdoor and transportation advertising. The increased sale of U. S. Savings Bonds, which this campaign will accomplish, will help to spread the ownership of the obligations representing our \$258,000,000,000 national debt.

Your State ABA Savings Bond Chairman and your State Bankers Association officials, as well as your State Director, U. S. Savings Bonds Division, have complete information about the Plan.

I urge you, on behalf of the Treasury Department, to initiate this Bond-a-Month Plan in your bank, and to call at once upon those who can help you most effectively.

Sincerely,

Secretary of the Treasury

P.S. The BOND-A-MONTH PLAN is a simple way for your checking account customers to purchase U. S. Savings Bonds through your bank. They purchase one bond of any denomination every month. Payment is made by a single monthly debit to their account, and your bank simply mails the bond to the buyer in a *franked* envelope. Without affecting normal banking routine,

you provide your *present* checking account customers with a convenient method of buying Savings Bonds regularly and reach **NEW** customers for your other banking services.

For the financial stability of the country and your customers, you can offer no better contribution than the adoption by your bank of the BOND-A-MONTH PLAN.



★
This is a public service contribution of

BANKING

in cooperation with the Treasury Department and The American Bankers Association.



Dodge Heads U. S. Group at Vienna Peace Parley

Joseph M.
Dodge

Now it's *Minister* Joseph M. Dodge. The man who is vice-president of the American Bankers Association and president of The Detroit Bank is in Vienna as representative of the United States on the Commission for Examination of Disagreed Questions on the Austrian Peace Treaty. The job carries with it the rank of minister and the chairmanship of the American delegation.

Mr. Dodge, who flew to Europe early in May, was appointed by President Truman and Secretary of State Marshall. It was not his first foreign assignment, for he was financial adviser to the United States Military Governor of Germany from August 1945 to July 1946, and also director of the Finance Division, Office of Military Government, and director of the Finance Branch, U. S. Forces, European Theatre. He also has a long wartime domestic service record.

The four-power commission with which he is now working was agreed on at the 1947 foreign ministers conference in Moscow. France, Great Britain, Russia and the United States are represented on it. When the group began work May 12 the hardest problem that faced the commissioners was Russia's claim to German property in Austria. Also unsettled was Yugoslavia's claim for reparations from Austria for a piece of Carinthian border territory.

When Mr. Dodge left this country it was understood that his assignment would require 60 to 90 days and that he would return in mid-Summer. He was forced to cancel speaking engagements, including the conventions of the South Carolina, Delaware, Mississippi, Alabama, New York

and Maine state bankers associations, the American Institute of Banking convention, and The Graduate School of Banking resident session.

MR. DODGE's wartime record on the home front includes service as chairman of the Price Adjustment Board, Central Procurement District, Army Air Forces, November 1942 through August 1945.

In the following year he was chairman of the War Department Price Adjustment Board; chairman of the War Contracts Board of the War, Navy and Treasury departments, the U. S. Maritime Commission, and the Reconstruction Finance Corporation; and director of the Renegotiation Division, Headquarters Staff, Army Service Forces.

While in Germany he was financial adviser to Lieutenant General Lucius D. Clay, United States Military Governor in Germany.

ON September 18, 1946, Secretary of War Patterson presented him with the Medal for Merit, highest civilian war award, and a week later the American Bankers Association, in convention at Chicago, elected him its vice-president.

He has been president of The Detroit Bank since December 1933. He was previously vice-president of the National Bank of Detroit and assistant to the chairman of the board of the First National Bank in that city.

He started his banking career as a messenger in the Central Savings Bank, Detroit, in 1909, advancing to the position of general bookkeeper. Then he left banking to become an auditor in an accounting firm, but returned to his first profession as an assistant examiner in the Michigan State Banking Department.

Subsequently he was senior examiner, and later was first a special examiner and then secretary of the Michigan Securities Commission. He joined the staff of the Detroit First National in 1932.

Reminders of the war in Vienna: *left*, the Russian Victory Monument; *right*, International Kommandatura headquarters. These pictures were taken last Winter by an American now living in the Austrian capital



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THE INVESTMENT MARKET

H. EUGENE DICKHUTH

MR. DICKHUTH is a noted financial writer on the staff of The New York Herald Tribune.

DEFLATION has recently proceeded in nearly all markets except in that of government bonds, where trading was dull and prices remained steady. Following the precedent set in the period before the preferential discount was eliminated, the fiscal authorities have been using the device of uncertainty regarding the bill rate to keep the market doubtful of what was impending. From the Reserve banks' and Treasury's viewpoint, this has paid good dividends in the form of steady markets for most securities.

In the meantime, a mild short-term redemption program has been instituted by the Snyder regime whereby the maturing \$1,300 million weekly bill offerings were refunded only to the extent of \$1,100 million or \$1,200 million. Since most of the bills are held by the Federal Reserve banks anyway, it would seem logical to assume that the redemption practice will be continued for some time and a substantial portion of the outstanding bills will be drained out of circulation before the well publicized unpegging of the bill rate becomes effective.

THIS observer may be wrong, but he is willing to predict that a good deal of talking will be done about unpegging the bill rate to keep the market in suspense, but that action will be postponed until budget and taxes are fixed by the Congress.

On the overall fiscal question, it may be noted that as of March 31 the Treasury's marketable indebtedness totaled about \$172 billion at an average cost to the taxpayer of 1.84 percent. Whatever is done by Washington in the way of refunding or unpegging of short term rates will have to be designed not to increase the cost and yet, if possible, return to the Federal Reserve Board control of credit which Congress intended it to have all the time.

Overall economic conditions will have a considerable bearing on all decisions, of course. The deflationary tendency which has been apparent in Wall Street for some time, for example, may reduce income taxes from that segment of the economy appreciably. Most commission houses operate in the "red" at recent trading volume. The firms with commodity departments are slightly better off, since the latter divisions have been making money and have helped pay overhead.

The real danger in a deflationary situation, admittedly, is psychological, whereby calamity howling becomes contagious and panic selling develops in all lines. At the time of writing, the recession has centered in the stock markets and in soft or non-durable goods. Production in durables is still strong, but retail trade and savings have been tapering off, while loans on life insurance policies have increased about 15 percent over 1946.

One of the major elements in the securities issue market

for several years to come, which just made its influence felt for the first time since the war, is the states' bonus financing for veterans. A study just released by Northern Trust Company, Chicago, places the total of such state borrowings for veterans at \$3 billion.

AFTER the First World War 22 states raised about \$453 million for the same purposes, of which the largest single loan was \$80 million for California veterans. Since V-J Day to March of this year 14 states authorized \$1,400 million in bonds and 13 additional states have under consideration \$2,193.5 million. The largest state issues, subject in some cases to voter approval, include New York State with \$400 million, Illinois \$385 million, Michigan \$200 million and California \$130 million.

A notable event in the investment market was the appearance of the first European postwar government loan. The issue in question is the 3¾ percent 10-year sinking fund flotation for the Kingdom of the Netherlands totaling \$20 million and underwritten by a nationwide investment group headed by Kuhn, Loeb & Company.

Another occurrence of considerable importance was the first \$250 million loan extended by the International Bank for Reconstruction and Development to France. It is one half of the one half billion dollars requested by Paris. When fully drawn the first commitment will have absorbed about one-third of the funds paid in by member governments. The credit is for 30 years at 4¼ percent interest.

THE rate charged to France indicates that the bank expects to borrow in this market at about 3¼ percent against its own bonds and debentures. The statutes of the institution provide that the rate spread must be at least 1 percent nor is it to exceed 1½ percent.

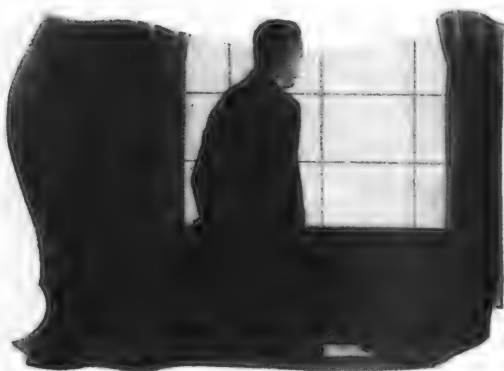
The estimate would seem to jibe with the general assumption by institutional investors that the World Bank will have to pay more than can be obtained from the highest grade of corporate obligations, now in the neighborhood of 2.75 percent. It was felt that World Bank debentures, however, should be salable at a yield somewhat lower than that of the Australian bonds recently sold successfully on a yield basis of a little more than 3⅜ percent on a 15-year maturity. As a practical matter this would mean a rate for World Bank bonds in this market in the neighborhood of 3 to 3¼ percent, depending on market conditions at the actual time of issue.

The broader question on World Bank financing which, according to present information, is to make its debut late in the Summer, is how many countries could afford to pay 4¼ percent for really large loans. The Treasury loan to Britain of \$3,750 million carried an effective rate of about 1.63 percent, for example, which is considerably less than one-half of the rate that the World Bank would have to charge. For these statistical reasons the lending scope of the institution seems somewhat limited at this time.

Biography of an Idea

—a bank-born idea
that has revolutionized record-keeping
procedures in banking, transportation, retail selling,
and many another field

1



Early in the 20's, a banker—searching for a way to bring new accuracy and protection to the handling of vital financial records—came up with the unique idea of using photography. At the time, of course, there was no photographic equipment suitable for this purpose. But he didn't let this deter him . . .

2



First model
Recordak

In co-operation with Eastman Kodak Company—world's largest producer of photographic equipment and materials—he developed the machine banks needed—the first automatic microfilming machine—Recordak. It was installed in the first bank a few years later. This pioneering Recordak installation was a tremendous success . . .

3



... a success that has expanded into the use of Recordak systems in thousands of leading banks. Today, the Recordak Transit System is standard in most of the important banks of the nation. And the Recordak Single Posting System—with its basic efficiency and economies—has been adopted by bank after bank after bank.

4



Taking their cue from banks, many other businesses then began to utilize Recordak to bring new speed and accuracy—new protection, too—to basic clerical routines. Now railroads use it to speed up and simplify waybilling . . . to keep operating, traffic, and accounting departments better informed . . . to cut waybilling costs.

5



Department stores use Recordak Salescheck Billing to save work for billers . . . to cut accounting overhead . . . to protect accounts receivable records . . . to serve customers better. Newspapers use Recordak Newspaper Service to speed reference . . . to "de-bulk" files 98%. Libraries use Recordak microfilm prints to expand newspaper files without creating a storage problem.

6



Successful in banks . . . in every field to which it has been applied . . . the Recordak idea has made spectacular progress in twenty years. To see why banks have been so receptive to it, write for "IN BANK AFTER BANK AFTER BANK."

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World Business



CHARLES PHELPS CUSHING

HERBERT
BRATTON

The Impact of International Relations

Politico-Economics

THERE can be no worthwhile planning by the Government or business which does not pay close attention to international relations. A country which has just come through a great war does not need to be told of the impact of defense on the domestic life and economy. Yet there is reason to doubt whether the average businessman or banker sees the outlook as a whole. Whither are we steering or drifting? Is the goal clear?

The reader need hardly be reminded that in our international relations, with all their implications to himself and his family, politics, business and finance are but different facets of a single whole. When, for example, the President of Mexico visits this country, that is international politics and the State Department supervises his tour; but as soon as he invites the investment of American money he sets in motion the machinery of finance and economics and the consequences will be recorded in the balance of international payments for many years to come, no doubt, and perhaps again in politics. Most of us are not inclined to look that far ahead or to fit the fragmentary picture together, for we are all engrossed in our daily tasks. Sufficient unto the day is the problem thereof.

But even a dull pencil jotting down our politico-economic relations with such countries as Britain, France, China, Greece, Korea, Netherlands, Norway and the others will leave a long column of figures projecting into space—so to speak—because no one in or out of Washington can truthfully say that the books are going to be balanced. As a nation we do not really seem concerned with balancing the books, even though the above-mentioned sequence from politics to business also works in the other direction. We seem to be drifting willy-nilly toward shoals.

To illustrate, our exports in March, the last month for which we have the data, rose sharply to a new all-time high

with the sole exception of one month in 1944, when 82 percent of our exports were on the lend-lease cuff. March imports, on the other hand, remained almost unchanged at one-third the volume of exports. This is the "visible" trade. For the "invisible" items we turn to the nation's balance of international payments. We see a "balance" only because of what we are lending and giving away abroad. There is a seemingly chronic gap between what we are able and willing to sell to the rest of the world and what our "customers" can pay. If the world ever can pay its way here and pay back what it owes, there is the virtual certainty that in our economic policy we shall not permit repayment, lest the inflow of the necessary billions in the form of goods and services "undermine the American standard of living."

For 1947 our exports of goods and services are estimated by the Commerce Department at \$16.2 billion and our imports thereof at only \$9 billion. The gap will be filled by gifts and loans, primarily. If the world's problem is that of unsatisfied wants, ours is that of capacity to overproduce. Could our surpluses be channeled more to our own lower income groups, slum clearance, and the like, the American standard of living could be improved. When credit gives out and the export boom subsides, we shall need an alternative. Hadn't we better be thinking about it now?

Chinese Puzzle

China is a country which in matters economic and political has been moving so long in a downward direction that it is impossible to foresee when the trend will turn. The troubles are in part only attributable to the war with Japan. When there is no foreign foe, China fights with itself; and, seen in historical perspective, the "Sino-Japanese Incident" of 1937-45 was only an interruption in a chronic state of internal disorder. What happens in China interests us if for no other reason than that the United States, since the last cen-

(CONTINUED ON PAGE 62)

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(CONTINUED FROM PAGE 60)

tury, has treated China as its own problem child, a fact which comprises the basic explanation of our recent war with Japan. History, therefore, suggests that we may yet fight other wars over China.

An interesting index of China's condition was the flotation in April of Chinese Government bonds denominated in U. S. dollars. A U. S. \$100 million 10-year issue sold for foreign exchange carries a 6 percent coupon; and another issue of 3-year notes sold for yuan and, repayable in local currency at the official rate of exchange for the U. S. dollar at the time of repayment, pays 20 percent interest. That, to Americans, may seem an unheard-of rate of interest for a government security, but in inflated China it seems none too attractive. Black-market interest rates in China, at the time this anti-inflation note was offered, ranged from 10 to 20 percent per month, or 120 to 240 percent per year. Contributing to the market's reluctance to invest in these issues were the knowledge that the central bank's foreign exchange resources were limited and apprehension that the government might not live up to the terms of the contract. China's debt record has not been such as to inspire confidence and the military, political and economic situation is far from reassuring.

Nonetheless, in the initial stage the bonds and notes were reported as meeting a fair reception in Shanghai, partly for fear of punitive measures, especially against holders of foreign exchange.

In some quarters in China there is apprehension lest the repayment terms of the above-described note issue will operate to cause the Chinese Government to defer necessary adjustments in the official rate of exchange, such as the mounting inflation may call for. Since the notes are at maturity payable in yuan at the official rate on the U. S. dollar, an adjustment of the official yuan-dollar rate to reflect actual conditions would be costly to the government. However, at the rate inflation has been flourishing in China, it is hard to imagine what value the yuan will still retain three years from now. In February the government of China fixed the official rate on the U. S. dollar at 12,000 yuan. At this writing the black-market rate is reported to have reached 23,000.

Slow Progress on ITO

Could the Bretton Woods Conference of 1944 have lifted the curtain on the

(CONTINUED ON PAGE 64)

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Summer of 1947, it might simply have taken the next train home and awaited a more favorable moment to lay its cornerstone for a brave new world. It is true that the Fund and Bank are now in existence, and, at this writing, both are still poised for their first credit adventures. But that indispensable other pillar of world prosperity, the ITO, is not yet in the final stages of being born, having to overcome serious hurdles before achieving existence. The multilateral negotiations which began at Geneva in April have many more weeks to run before they produce the sought-for trade agreements and a mutually acceptable draft charter for a future international trade conference to consider.

THE news from all sides is sufficient to suggest the obstacles in the path of the Bretton Woods world. A few weeks ago members of the Senate Finance Committee gave the ITO draft charter a fine combing. The Geneva meetings were already started when the Ways and Means Committee exhibited skeptical curiosity about the trade agreements program. The International Chamber of Commerce criticizes the ITO plans for vagueness and incongruities. From Switzerland a British correspondent reports sharp Anglo-American differences as to which comes first, the ITO chicken or the tariff-cuts egg, as well as disagreements as to the charter itself. He reports further that the British and French have made it plain that they have no intention of doing away altogether with regional trade agreements like Empire preference, even for a full 50 percent cut in all U. S. tariffs—a fact which will disappoint those Americans who thought they were accomplishing this when they supported BW, and again when they advocated the loans to Britain and France.

Another interesting report from Geneva is to the effect that other countries' willingness to discuss with us multilateral trade has been linked at Geneva with demands for more American credit. The Chinese reportedly have been outspoken in this regard. Therefore observers at Geneva are forecasting that no fundamental change in the world's trade structure will result from the Geneva meeting.

The world at Geneva faces not only great economic facts, which were in plain sight of Bretton Woods, but also a great political fact, whose presence was less intrusive then than now. World business tosses on ominous seas.

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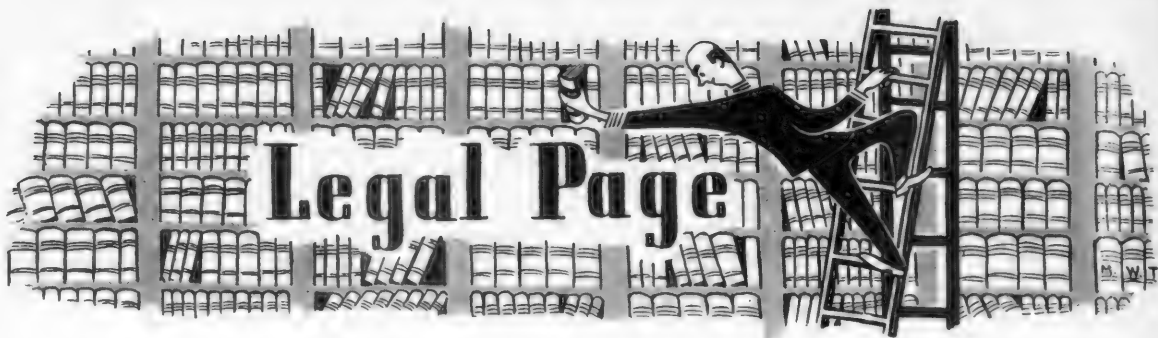
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Nebraska Par Clearance Law Held Constitutional

WHEN the holder of a check drawn on a Nebraska state bank deposits it with his own bank to be forwarded for collection by mail, the drawee state bank, if it elects to honor the check, must remit the full amount of the check, without deducting any charge for clearing the funds to the forwarding bank.

The so-called Nebraska Par Check Law of 1945, recently held constitutional by the Supreme Court of that state, by providing that . . . *all checks drawn on any bank or trust company organized under the laws of this state shall be cleared at par by the bank or trust company on which they are drawn . . .* expressly prohibits such charges.

The law has had particular effect upon country banks, since they have in many cases continued to levy these exchange charges after the practice had been abandoned, some 25 years ago, by national and most state banks under pressure from the Federal Reserve System. Several states had even enacted statutes expressly authorizing the charges.

The continuation of the practice among country banks has generally been attributed to the fact that the great volume of checks drawn upon them is sent to payees in places some distance away—Sears Roebuck's, for example. Thus, the great volume of checks presented to the country banks for payment comes by mail from other cities and towns.

Nebraska's non-par banks, in accordance with the practice prevailing among banks which did not clear checks at par, had charged the amount of a check received in the mail to the account of the drawer and, after deducting an exchange charge, remitted by draft to the forwarding bank.

The suit to enjoin the Par Check Law was brought by various non-par state banks on the grounds that it conflicted with the Federal Constitution by impairing the obligations of contracts, de-

priving the banks of property without due process of law, and denying them the equal protection of the laws.

The court rejected each of the arguments.

Depositor's Contract Not Impaired

The contract of a bank with its depositor involves a duty to pay on demand and in full checks drawn by the depositor against sufficient funds and presented for payment at the bank. There is no obligation to pay other than in cash over the counter.

If the bank undertakes to pay checks presented by mail, the court said, it does so entirely outside its contract with the depositor who drew the check.

According to Nebraska law a check received by mail is deemed paid when the amount is finally charged to the account of the drawer. At that point, it was held, any legal duty to the depositor is ended, a duty to the holder commences, clearance begins, and the Par Check Law comes into play.

Thus it was ruled that the law in no way effects the contract of a bank with its depositor, since the law has no application until after that contract has been fully executed.

Holder's Contract Not Impaired

The obligation of the drawee bank to the holder of the check, arising when the bank pays the amount of the check from the drawer's account to itself, terminates when the bank remits the amount to the holder, or to the forwarding bank for the account of the holder.

The Par Check Law here comes into play, and requires the drawee bank to remit the full amount of the check without deducting any exchange charge.

The court termed the obligation to the holder of the check a contract implied-in-law, and pointed out that it is necessarily of short duration, generally

being performed and fully executed the same day on which it arises.

It was neither pleaded nor proved that any such contract was in existence and unexecuted on the day the Par Check Law took effect.

Every check drawn on a bank, received and paid by it after the law took effect was the subject of a new and separate contract between the bank and the holder, and embraced the law as an integral part of the contract, the court held in its decision.

Thus it was reasoned, the Par Check Law did not impair the obligation of any contract with the holder of a check.

No Lack of Due Process

In holding that the law resulted in no deprivation of property without due process of law, the Nebraska Court quoted from decisions of the United States Supreme Court to the effect that the states may use their police power to regulate reasonably the banking business, and that, having that power, they might regulate the state banker's method of receiving and paying out his deposits.

Then, using the language of the United States Supreme Court in upholding the constitutionality of the Federal Reserve System's prohibitions on exchange charges, the Nebraska court held that since the banks could refuse to pay other than in cash over the counter, they were not being compelled to do anything without compensation.

Rather, they were told that if they wished to receive pay, and clear checks by mail, they could not receive compensation from the holder of the check for so doing.

Finally, the court held, since the Par Check Law applied equally to all checks drawn upon and cleared by all state banks, there was no denial of equal protection of the laws.

(CONTINUED ON PAGE 68)

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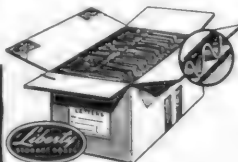
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(CONTINUED FROM PAGE 66)

Legal or Equitable?

Just what the relationship between the holder of a check and a drawee bank should be termed in Nebraska remains a trifle obscure. In reaching its decision, the court refers to a contract implied-in-law. However, it also refers to a "legal duty" and then proceeds to refer to a "duty which is fiduciary in character." It speaks of a "legal-relationship" and at the same time of an "agency-trust relationship." It terms the drawee bank an "agent" of the holder, and describes the money which it holds for him as a "trust fund." Whether the obligation is legal or equitable, however, does not alter the fact that the court found no impairment of it.

Maker May Be Charged

As might be expected, the decision does not mean that *someone* does not get charged when a check is forwarded, paid and cleared by mail. The Nebraska Court feels that the maker of a check benefits from being able to have his funds cleared by his bank to a distant place.

Thus the court points out that Nebraska banks are not prohibited by the Par Check Law or any other law from collecting exchange charges from their depositors.

For those who do not agree that the benefit of clearance redounds to the maker of a check, but subscribe to the theory that it is the holder who benefits, there is a long standing decision of the United States Supreme Court that the holder may be charged by his own bank for the service it renders in forwarding the check for collection, and that other banks which may aid in the process of collection may likewise make a charge for the service they render. *Placek v. Edstrom*, 26 N.W. 2d 489, Paton's Digest, Collection, Sec. 23, Ops. 23:1, 23:2, 23:4, 23:10. — J.R.V.

The eminent scientist who once said that we all behave like human beings obviously never drove a car.

There is no habit easier to acquire than the ability to live beyond one's means.

Apparently competition was not as keen when Ananias got his reputation.

Some of the starving peoples of the world understand that sound ideals are vital, but they also may believe that sound vitals are ideal.



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However, we asked the artist who illustrated this message, to put a town on the horizon. That town is indicative of the many communities served by our correspondent bankers; they also are responsible for our progress and they belong in the picture with much greater prominence than our sketch indicates.

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Training for Mortgage Officers

(CONTINUED FROM PAGE 52)

lecture. Construction loans will be treated both from the individual contract and operative builder viewpoint. Two lectures will touch the highlights of mortgage servicing and merchandising. All phases of FHA and VA procedure will be considered wherever they are pertinent.

In order to make the loan analysis more realistic, the students will be asked to consider mortgage loan applications of hypothetical borrowers for the properties that were appraised during the first week.

The class will visit Purdue University in order to examine construction research projects currently under way on the campus. The factory of a prefabricated home manufacturer is also scheduled for a visit by the students.

THE cooperation of the University of Illinois in this project was an outgrowth of the use of the Small Homes Council housing bulletins by the A.B.A.'s Advertising Department in its mortgage merchandising program. The Small Homes Council has done outstanding work in the field of small homes research. The university has conducted a number of so-called "short courses" in cooperation with industrial and trade association groups under the auspices of the Department of University Extension and is well equipped in this field. Chester Davis, vice-president of the Chicago Title & Trust Company and a trustee of the university, assisted in making preliminary arrangements.

THE A.B.A. Department of Real Estate Finance, with the assistance of Robert W. Kneebone, deputy manager in charge of the Association's Chicago office, is handling the administration of the course for the A.B.A.

The University of Illinois is represented by William H. Scheick, coordinator, Small Homes Council; James T. Lendrum, associate coordinator, Small Homes Council; and H. C. Rountree, assistant director, Division of University Extension.

WHILE the course is designed primarily for junior mortgage personnel, several of those enrolled have had broad mortgage lending experience. These men are particularly interested in the construction and appraisal subjects and the field work which accompanies them.

J.M.O.T.C. Faculty

Harris, Warren S., special research associate professor of mechanical engineering, University of Illinois.

Hawk, Leland S., supervisor for valuations, management and sales, real estate loan department, First National Bank, Chicago.

Jones, Rudard A., research associate professor of architecture, University of Illinois.

Kelly, Edward J., Federal Housing Administration, state director of the Illinois regional office, Chicago.

Kraehenbuehl, John O., professor of electrical engineering, University of Illinois.

Lendrum, James T., associate professor in the department of general engineering drawing, associate coordinator, Small Homes Council, University of Illinois.

Lenkuhl, Marvin A., advertising counsel, Milwaukee, Wisconsin.

Lescher, Frank M., professor of architecture, University of Illinois.

Morgan, Don H., associate professor of community planning, University of Illinois.

Nolen, R. L., associate professor of economics, University of Illinois.

O'Dea, Robert E., assistant vice-president, Chicago Title & Trust Company.

Rieder, O. L., assistant vice-president, Cleveland Trust Company.

Robinson, Walter T., president, Citizens State Bank, Donnellson, Iowa, and loan guaranty officer, Veterans Administration, Des Moines, Iowa.

Roose, Robert W., special research assistant in mechanical engineering, University of Illinois.

Scheick, William H., professor of architecture, coordinator of Small Homes Council, University of Illinois.

Smith, Howard B., director, Department of Real Estate Finance, American Bankers Association.

Since this is an experimental program for the A.B.A., the enrolment is limited to 50 men. Any banker desiring information is requested to contact the Department of Real Estate Finance, American Bankers Association, New York City.



ASSOCIATED NEWSPAPERS

State-National

IT is not the proper function of a tax law to tip the scales in favor of a federal as against a state bank charter in the merger of a state and a national bank, James C. Wilson, president of the State Bank Division of the American Bankers Association, and president, First Bank and Trust Company, Perth Amboy, N.J., told the executive committee of the National Association of Supervisors of State Banks and staff members of the FDIC.

Speaking for the banks composing the State Bank Division membership, Mr. Wilson recommended a change in the federal statutes which govern the collection of capital gains taxes in cases where state and federally chartered banks merge into one institution.

At present the federal statutes are interpreted so that when a national bank and a state bank merge and continue the state charter, the national bank is considered to go through a technical liquidation and capital gains taxes are collected from its stockholders. However, if the merged institution continues under a national bank charter, then these capital gains taxes are not collected. This situation discriminates against the choice of a state bank charter in mergers, Mr. Wilson said.

"During the last few years a merger-movement among banks has set in. A number of smaller banks were absorbed by larger banks. Similarly, banks of substantially the same size have merged in order to strengthen their position.

"It is of the utmost importance that in case of a merger a resulting state-chartered bank should have the same rights before the law as a resulting federally-chartered institution. At the present time, however, in cases of mergers or consolidations between state-chartered institutions and national banks the law discriminates against the choice of a state charter for the resulting institution. Since these institutions perform the same functions, and since the dual banking system reflects the concerted will of the American people, it is of the utmost importance that there be no discrimination. The discrimination against state banks before the law in case of mergers may be summarized briefly as follows:

Joe Loves Capitalistic Dollars!

BANKING

Bank Mergers

"(1) Where a state bank and a national bank unite, the non-recognition of taxable gains is very often a decisive factor in selection of a national rather than a state bank charter.

"Since in the eyes of the law, state and national banks should have the same standing, the recognition of the gain-factor should play no part in the choice between a federal and a state charter. It is not the proper function of a tax law to tip the scales in favor of a federal as against a state charter.

"(2) There are other discriminations against a state bank which in case of a merger make it desirable to choose a national instead of a state charter. Under the Internal Revenue Code, section 122, a corporate taxpayer can reduce its income tax in one year by reason of operating losses in other years or after the particular year.


"(a) Carry-over and carry-back of losses in different tax years.

"The law is not quite so clear when there is not a conversion but a merger. It is, however, likely that there is a similar discrimination.

"(b) The greater number of tax returns required of state banks. This discrimination should be remedied, if for no other reason, because of the principle involved.

"(c) Similar discrimination with respect to the stamp tax on the issue of corporate stock should be remedied.

"Since it obviously was the intention of Congress not to discriminate between state and national banks, it is of importance that the present laws which discriminate against state institutions be amended and that both state and national banks enjoy an equal status before the law. If the various discriminatory features of the law were remedied, then in case of mergers or consolidations the individual shareholders in the management will be in a position to decide what type of charter they desire. At present, very often because of the present discriminatory features, the management and the shareholders decide in favor of a national bank even though they personally would favor a state-chartered bank. Since mergers are likely to increase and since such mergers are to the interest of the economy of the country in general and to the interest of the banking system, it is highly desirable that the various discriminatory features against state banks be removed."



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BANKING NEWS

Reserve Guaranty of Loans Is Unwise and Unneeded, Says A.B.A.

Tobey Bill Statement Reiterates Opposition

Guaranty of commercial bank loans by the Federal Reserve Banks as provided in the Tobey Bill "is not only unwise, but there has been no demonstrated need for such legislation," the Senate Committee on Banking and Currency was told by the American Bankers Association.

In a statement filed with the committee the Association said that more than 90 percent of the commercial and industrial loans made by banks are made to small business. A study of Reserve figures of commercial and industrial loans outstanding Nov. 20, 1946, applied to the entire banking system, showed that of 853,000 commercial loans in the portfolios of banks on that date, more than 90 percent were for \$25,000 or less. Fewer than 10 percent were for over \$25,000, it added, "indicating that the great majority of credit applications from business are in a bracket which every commercial bank is prepared to meet."

Position Reiterated

"In 1943," the statement said, "the convention of the American Bankers Association went on record against the guaranty of loans in peacetime in the commercial and industrial fields by governmental agencies. This position was reiterated in 1945 and again in 1947. It was the feeling of the Association then, as it is now, that government funds should not be used to underwrite the commercial and industrial risks which banks must take in the business field. The Association believes that the Government's obligations are now so great that it should not undertake, especially in a period of prosperity, obligations which should be assumed by individuals and private institutions."

"The American Bankers Association believes," the state-

(CONTINUED ON PAGE 73)

73.5% of Trusts Have Incomes Less Than \$3,000, A.B.A. Committee Survey Shows

People of moderate means are the largest users of trust services in the United States, according to a survey of the annual income from trusts which has just been completed by the A.B.A. Trust Division.

Findings of the survey, announced by Evans Woollen, Jr., president of the Trust Division and president of the Fletcher Trust Company, Indianapolis, show that 54 percent of all trusts administered by banks and trust companies have an annual income of less than \$1,200 each, with an average income of \$370 annually. For 73.5 percent of all trusts the income is less than \$3,000 each and the average income is \$788 annually.

"Results of this survey," Mr. Woollen said, "emphasize that trust services are available to meet the needs of people from every income group."

"When facts such as these are more widely known there will be a greater appreciation of the services that trust institutions are rendering to the public. These figures clearly demonstrate that trust institutions are performing a vital service for the benefit of those whose income depends on the competent administration of

estates of moderate size. Much of this income is for the benefit of women and children and is used for the support of the home, education of children, care of parents, and for the protection and financial security of other beneficiaries."

The survey covered 144,081 trusts managed by 868 banks and trust companies.

Only 2.8 percent of the 144,081 trusts reported represent trusts having an income of over \$25,000 yearly.

The report sets forth the findings in three trust income groups other than those already shown. Trusts in the \$3,000-\$7,500 income bracket represent 13.86 percent of all the trusts reported. They have an average income of \$4,557.

Trusts in the \$7,500-\$10,000 group are only 3.97 percent of the total and their annual income averages \$8,260. Trusts in the \$10,000-\$25,000 income group account for 5.88 percent of all covered by the report.

The survey was conducted by the Committee on Trust Information of the Trust Division.

Harve H. Page, second vice-president, The Northern Trust Company, Chicago, is chairman.

Trust Investments Are Theme of New Study

A confidential booklet "Laboratory on Trust Investment Problems," based upon several months of research and study, has been published by the A.B.A. Trust Division's Committee on Trust Investments.

The booklet points out that this material is sent to trust men in the belief that it will contribute to their thinking on investment problems. They are cautioned, however, to bear in mind that "each trust institution in formulating its own investment policy and practice must make up its own mind as to the attractiveness of any given investment at the time of purchase from the standpoint of quality, price, yield, and appropriateness for a given account."

New "Headache Checks" Booklet Is Published

A new booklet calling attention to the various types of "headache checks" has been completed by the A.B.A. Bank Management Commission.

Entitled "Check Standards," the booklet is illustrated with a cartoon character who points out incorrect usages. These include location of amounts so that they are confused with other figures or are hard to find; location of bank name and transit numbers so that they are difficult to distinguish from other printing; and the general cluttered condition of certain checks.

The booklet also points out the good features of check design and discusses voucher checks and checks to be used in window envelopes.

231 Bankers to Get G.S.B. Diplomas at 1947 Commencement

Record Enrolment for June Resident Session

The largest resident session of The Graduate School of Banking, which the American Bankers Association conducts at Rutgers University, convenes on June 16.

With a freshman class of 440 and a total registration of more than 900, the school brings to the Rutgers campus at New Brunswick, N. J., bankers from many states for a fortnight of intensive study.

Twelve new members have been added to the faculty for the 1947 session. The teaching staff now numbers 50 men, compared with 10 when the school opened in 1935.

Commencement June 27

Graduation exercises for the Class of 1947, comprising 231 men, will be held on Friday evening, June 27. Diplomas will be awarded by Loring L. Gelbach, president of the Central National Bank, Cleveland, and chairman of the school's board of regents.

The class will be presented by Registrar William Powers. Director Harold Stonier presides at the commencement exercises.

"Ayres Night"

A special event at this year's session is the "General Ayres Night" seminar, scheduled for June 16, as a memorial to the late Brig. Gen. Leonard P. Ayres, who was a vice-president of the Cleveland Trust Company and an economics seminar speaker at the School since 1935. Russell Weisman, chief editorial writer of the Cleveland Plain Dealer, is the speaker on this occasion.

Joseph M. Dodge, A.B.A. vice-president and president of The Detroit Bank, was to have visited the school during the session, but had to cancel the engagement when he was made chairman of the American delegation at the Austrian treaty negotiations in Vienna.

Customer Relations Film, Course Guide Ready

The new customer relations color sound slide film, "It's Up To US," and the *Conference Guide for a Bank Customer Relations Clinic*, designed for a six-session employees' training program, have been completed.

Produced cooperatively by the Customer and Personnel Relations Department and the Public Relations Council of the American Bankers Association, they are coordinated so as to encompass a thorough training program for a bank staff. The questions in the guide are designed to enable each bank to write its own handbook of customer relations. This method, already successfully employed by some

banks, has the advantage of translating the personal experiences and knowledge of each bank staff member into a positive program.

Under this clinic method of customer relations instruction it is not intended that the conference leader be a professional lecturer or an expert in customer relations, but rather that he be an active participant in the clinic discussions. Each session involves a brief presentation by the leader, whenever a new subject is introduced or a change in emphasis is indicated by the *Conference Guide* and the sound slide film.

The sequence of the film and guide was described on page 16 of March BANKING.

Reports Big Demand for A.B.A. Speech Material

A renewed demand for speech material on banking subjects prepared by the Committee on Public Education of the American Bankers Association is reported by William T. Wilson, deputy manager in charge of the Committee.

During the war the majority of requests were for talks on Savings Bonds, said Mr. Wilson. Now, however, the trend is back to banking, with considerable interest being shown in talks designed for farm audiences.

Nearly 15,000 requests for its prepared talks have been received by the Committee during the past six months. About 3,000 of these came from bankers, and the remainder from teachers, students, and others.

Some Popular Talks

The talks for which there has been the largest demand include: "Savings—the Way to Success"; "Banking As a Vocation"; "Your Future in Farming," for farm youth group audiences; and "Farm Prosperity Through Financial Management," for adult farm audiences.

The Committee has a library of 28 talks covering a wide variety of banking topics, prepared during recent years for banker use in explaining the functions of banking to civic groups, radio audiences, farmers, etc.

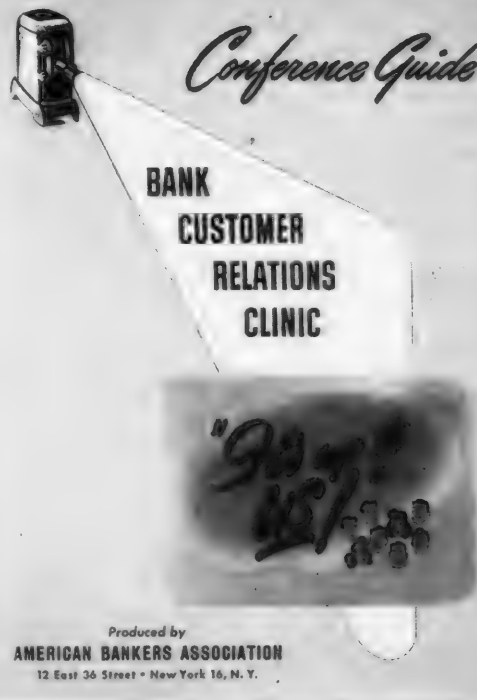
New Ads Feature Loan Services of Banks

Two new series of newspaper advertisements and four new direct mail pieces have been completed by the A.B.A. Advertising Department. "How Is Your House?" is the theme of 18 newspaper ads featuring home improvement loans. "You Can Bank on This" is the theme of the second series of 24 newspaper ads featuring instalment loans. Both series are illustrated with cartoons.

The direct mail booklets include: "For A Safer Summer," which features several banking services useable during summer vacations; "How to Get a Personal Bank Loan," featuring personal loans for sound purposes; "How Long Are Bankers Hours," which demonstrates that bankers work much longer than their doors are open to the public; and "Arrange an Easy Way to Lift Bank Mortgage," featuring the advantages of borrowing from a bank.

Two Trust Meetings

The A.B.A. Pacific Coast and Rocky Mountain States Trust Conference will be held in San Francisco at the St. Francis Hotel, Oct. 22-24. The Mid-Continent Trust Conference, for the Middle West, takes place in Chicago, Nov. 6-7, at the Drake Hotel.



Conference Guide cover

Many Banks Now Using Check Routing Symbol

Ninety percent of the 12,011 banks which clear through the Federal Reserve banks are now using the check routing symbol which was introduced jointly by the A.B.A. Bank Management Commission and the Reserve System in June 1945.

A survey shows that the symbol is used by almost all banks in the Boston, New York, Cleveland, Richmond, Dallas, and Atlanta Reserve districts.

Reserve Guaranty of Loans Is Unwise

(CONTINUED FROM PAGE 72)

ment declared, "that the Federal Reserve Banks' surplus accounts should be kept unimpaired and without contingent liabilities. We now have a federal agency willing to underwrite or participate in the credit risks of the commercial banks. We contend that it would be unwise for the Government at this time to designate another quasi-government agency to offer to guarantee 90 percent of the loans of the banks using funds that belong to the Government of the United States."

National Bank Division Memorializes Augustine, Praises Naming of Cook

Resolutions expressing gratification at the appointment by President Truman of H. Earl Cook to the board of directors of the FDIC and memorializing the late William F. Augustine were adopted by the executive committee of the National Bank Division of the American Bankers Association during its recent meeting in French Lick, Ind.

Mr. Cook and Mr. Augustine were once presidents of the Division. Mr. Augustine, who was vice-president of the National Shawmut Bank, Boston, was also a former treasurer of the Association. At the time of his death he was a member of the Executive Council.

Mr. Cook, a former banker, was Superintendent of Banks for Ohio when appointed to the Federal Deposit Insurance Corporation.

Copies of the Cook resolution were sent to the President, FDIC Chairman Maple T. Harl, and Comptroller of the Currency Preston Delano.

The Augustine resolution was sent to Mrs. Augustine and also to the National Shawmut Bank.

Change in A.B.A. Vice-president for Pennsylvania



Mr. Anderson



Mr. Pixley

Everett H. Pixley, vice-president of the Mellon National Bank and Trust Company of Pittsburgh, has resigned as A.B.A. vice-president for Pennsylvania. His successor is C. W. Anderson, president of the Carlisle (Pa.) Trust Company.

Mr. Pixley took office last September after the Association's Chicago convention and did an outstanding job in bringing Pittsburgh area banks into the membership. As a result of

the merger of Union Trust Company and Mellon National, he took on new responsibilities and felt that he could not give to his Association job the time it required. He therefore asked to be relieved of his duties.

One of the Mr. Anderson's first duties as vice-president was to preside at the meeting of A.B.A. members held in conjunction with the Pennsylvania Bankers Association convention May 21.

Membership Workers Hold Indiana Meeting

A number of Indiana bankers who are active in A.B.A. membership work in that state held a spring meeting at Crawfordsville to discuss plans and problems.

Herbert C. Morrison, A.B.A. vice-president for Indiana and president of the Elston Bank & Trust Company, Crawfordsville, presided.

Bankers were also present from Wingate, Linden, Waveland, New Ross, Darlington, New Market and Ladoga.

J. R. Dunkerley, secretary of the Association's Organization Committee, which has charge of membership affairs, likewise attended.

16 New Members

Sixteen banks joined the American Bankers Association during April. Among them are the New York office of Banco di Roma, and Banco de Arecibo and Banco Mercantil de San Sebastian, Puerto Rico.

Eastern Secretaries

Eastern Secretaries Conference will hold mid-year meeting at Skytop Lodge, Skytop, Pa., from June 23 to 26 for a "shop talk" session. No outside speakers are being invited, according to Conference President J. Walter Taylor. Mr. Taylor is secretary-treasurer of the Delaware Bankers Association.

Increase in Daylight Holdups of Banks Is Featured by Youth of Bandits, Says Post

A "not unexpected feature" of daylight holdups in the past year is that they were staged by a new crop of bandits, ranging mostly from 19 to 23 years old, says Frederick B. Post, head of the A.B.A. Insurance and Protective Committee.

One team of boys 15 and 19 held up two banks in three

hours, Mr. Post reports in the *Protective Bulletin*.

Twelve night burglaries and 12 attempted burglaries of banks were reported in the six months ended Feb. 28 compared with 11 burglaries and three attempts a year ago. But daylight holdups rose from 25 last year to 30 this year.

A.B.A. membership meeting at Crawfordsville, Ind. Seated, left to right, Messrs. W. A. Collings, V. W. Livengood, J. R. Dunkerley, J. C. Rhodes, and Leon H. Little. Standing, T. N. Johnson, K. A. Dickerson, Herbert C. Morrison, James A. Peterson, Ernest Yount, Arnett R. Groves, and Ernest Ball



CALENDAR

American Bankers Association

- June 2-6 American Institute of Banking, Annual Convention, Book-Cadillac and Statler Hotels, Detroit, Michigan
- June 15-28 Graduate School of Banking, 13th Resident Session, Rutgers University, New Brunswick, New Jersey
- Sept. 28-Oct. 1 Annual Convention, Atlantic City, New Jersey

State Associations

- June 4-8 District of Columbia, Bedford Springs Hotel, Bedford Springs, Pennsylvania
- * June 7 New Hampshire, Wentworth by the Sea, New Castle
- June 9-10 Oregon, Gearhart Hotel, Gearhart
- June 11-12 Minnesota, St. Paul Hotel, St. Paul
- June 12-14 Colorado, Hotel Colorado, Glenwood Springs
- June 15-17 New York, Chateau Frontenac, Quebec, Canada
- June 16-17 North Dakota, Bismarck
- June 19-20 Washington, Olympic Hotel, Seattle
- June 19-21 Michigan, Statler Hotel, Detroit
- June 20-21 South Dakota, Cataract Hotel, Sioux Falls
- June 20-22 Maine, Poland Spring House, Poland Spring
- June 23-24 Utah, Hotel Utah, Salt Lake City
- June 23-25 Wisconsin, Hotel Schroeder, Milwaukee

*Joint Meetings

- June 27-28 Connecticut, Equinox House, Manchester, Vermont
- June 27-28 Montana, Rainbow Hotel, Great Falls
- Oct. 6-8 Iowa, Hotel Fort Des Moines, Des Moines
- Oct. 8-10 Kentucky, Brown Hotel, Louisville

Other Organizations

- June 2-14 School of Banking, University of Wisconsin, Madison, Wis.
- * June 7 Savings Banks Association of New Hampshire, Wentworth by the Sea, New Castle, New Hampshire
- June 9-12 American Industrial Bankers Association, Denver, Colorado
- Sept. 11-13 Savings Banks Association of Massachusetts, New Ocean House, Swampscott, Massachusetts
- Sept. 14-17 Savings Banks Association of Maine, Poland Spring House, Poland Spring, Maine
- Sept. 15-22 U. S. Savings & Loan League, San Francisco
- Sept. 24-26 National Association of State Banks, Washington, D. C.
- Sept. 26-28 Association of Bank Women, Claridge Hotel, Atlantic City, N. J.
- Oct. 3-4 New York State Safe Deposit Association, Waldorf-Astoria Hotel, N. Y.
- Oct. 6-9 Financial Advertisers Association of America, Hotel Statler, Cleveland, Ohio
- Oct. 22-25 National Association of Bank Auditors and Comptrollers, Baltimore, Maryland



**THE MARK OF SUPERIORITY
IN MODERN BUSINESS MACHINES**



North of the Border

SOME American elements figured prominently in the Dominion Government's budget recently presented to the Canadian public. The budget for the current fiscal year was planned in the expectation that the gross national production in Canada in 1947 would exceed that of 1946 and be in the neighborhood of \$12 billion (the proportionate equivalent of about \$200 billion in the United States) provided there was no substantial recession in the United States.

U. S. Economy Influences Canadian Policy

The Minister of Finance in presenting this budget stressed that Canada must always remember the effect upon her of American policies. "So close and insubstantial is that common boundary line," he continued . . . "so many-sided are the business and social relationships between the two peoples and so important is the influence exerted by the larger economy on the smaller one that we cannot for long follow widely divergent policies . . . without causing serious strains."

This statement applied also to provisions for an average cut of 29 percent to 9 out of every 10 income taxpayers from July 1. The Minister frankly stated that it appeared that if Canadians were asked to carry tax burdens which, after allowance for lower living costs or other offsetting factors, were significantly heavier than those in the United States there would be the risk of a serious drain of Canadian people to the south. (He might also have said there had already been a serious drain of well trained technical and other personnel, as many as 20,000 moving across the border in one year, a fair proportion of them university graduates.)

U. S.-Canadian Income Tax Rates

Exemptions were not raised because they are generally lower than those in the United States, although allowable deductions are greater in the latter country. New rates were established to reduce taxes quite materially in the lower brackets and to bring them below those either in effect, or proposed, in the United States. In the middle brackets the proposed new income rates would also generally be lower than those now applicable in the United States. Thus, a Canadian with a \$3,000 income would

Canadian Balance of Payments with the United States, 1946

(in millions of Canadian dollars)

Receipts by Canada:

| | |
|--|--------|
| Merchandise exports to the United States | \$ 948 |
| Net exports of non-monetary gold | 96 |
| Tourist expenditures | 214 |
| Freight | 112 |
| Interest and dividends | 46 |
| War services | — |
| Inheritances and immigrants' funds | 19 |
| All other current receipts | 140 |

Total receipts \$1,575

Payments by Canada:

| | |
|--|---------|
| Merchandise imports from the United States | \$1,378 |
| Tourist expenditures | 131 |
| Freight | 178 |
| Interest and dividends | 250 |
| War expenditures | 23 |
| Inheritances and emigrants' funds | 31 |
| All other current payments | 187 |

Total payments \$2,178

Net balance due the United States \$ 603

be assessed an income tax of \$270 per annum, against the present levy of \$323 in the United States. It should be noted that the Dominion Government's income tax is the only one of its kind in Canada, since no such tax is now collected by any of the Provinces. Whether this move will halt the exodus of well trained young Canadians to the United States remains to be seen. There is still the attraction in the United States of higher salaries for professional men and women.

Cut in Personal Income Tax Levies

The over-all personal tax reductions follow cuts made in the two previous years and have brought the total income tax burden on the Canadian public to about half of the peak in 1942. Taxation relief is proposed for business by elimination of the excess profits levy at the end of the current calendar year, but the straight corporation tax of 30 percent is to remain unchanged.

All these tax changes were apparently made with some reluctance. Economic considerations alone, according to the Minister of Finance, would hardly justify immediate reductions which might increase inflationary pressures to some extent, although, also in the view of the Minister, they should modify labor's higher wage demands. However, the conclusion was reached

that the Canadian public was not ready to support income taxes on the present scale and that if these were continued they would seriously impede a full working effort and brake the drive and initiative of all classes. The government under these circumstances abandoned, for the time being, the idea of cyclical budgeting. That is, taxing in good times for large surpluses to be spent in periods of economic recession and depression, and to achieve budgetary balance only over a period of years, rather than from one year to the next.

Budget Balanced

The budget for the fiscal year ending March 31 was balanced. Expenditures of \$2,630 million, a little over half of those of the preceding fiscal year, were about \$350 million less than revenue of all kinds. This surplus, however, is accounted for by special receipts of over \$370 million from the proceeds of surplus war assets sold during the year, a non-recurring item, of course, which will be greatly reduced this year and disappear entirely in the not too distant future.

There was a reduction in the national debt of \$350 million, leaving net liabilities of the government of about \$13 billion.

Another balanced budget is forecast for the current fiscal year, with estimated revenues of \$2,290 million (after

allowance for tax reductions) and prospective expenditures of \$2,100 million, provided financial agreements with the provinces of Quebec and Ontario referred to in March BANKING are not reached. In the event that Quebec and Ontario join with other provinces in vacating for some years at least certain tax fields in return for federal subsidies the estimated surplus would be reduced to about \$80 million.

Canada Needs More Cash Foreign Trade

All of the foregoing figures on revenues and expenditures, both for the past and current fiscal years, are qualified to some extent by omissions from the ordinary budgets of loans, advances and investments, mainly for financing exports to Britain, China and some European countries in order to maintain Canada's markets in those areas. Last year nearly \$650 million net was advanced to other governments for this purpose and there remain unused credits of about \$870 million. No estimate has been made of the government's cash requirements to meet further export credits out of this unused balance. It is expected that the governments to whom these credits have been extended will be able to pay more in cash for what they buy in Canada this year and that Britain will make available part of its current requirements in sterling which can be converted into American dollars or other currencies.

More cash trade in Canada's exports outside North America should, of course, ease her exchange situation, particularly as it affects her financial relations with the United States. Last year Canada had to meet an over-all deficit in American exchange of about \$600 million. In meeting this shortage she

Canada has sent millions of pounds of meat overseas to help feed hunger-ridden Europeans. Much of it came from Alberta, which has many immense ranches as well as smaller ranches averaging less than 100 head each. Below, cattle being driven into corrals at a railroad siding in Alberta bound for a Calgary packing plant, where they will be prepared for shipment



CANADIAN INFORMATION SERVICE

AMERICA PAYS HUGE SUMS FOR CRIMES OF CARELESSNESS

IN 1946, the American public lost approximately \$600,000,000 from fires. Yes, we say LOST, because that was the value of the property destroyed. True, the fire insurance companies reimbursed them for their losses, but much of the actual property can never be replaced. The three greatest causes of these fires were

CARELESS USE OF CIGARETTES

CARELESS DISPOSITION OF MATCHES

DEFECTIVE ELECTRICAL EQUIPMENT

All of these are *crimes of carelessness* and take a terrible toll in human lives in addition to losses in jobs and valuable property. If you and you and YOU will do your part to prevent such needless waste, everyone will benefit.





A 75% cotton fiber content paper made with extreme care, Success Bond in the Neenah line is distinguished by its appearance and finish, its crispness and strength. Success Bond is designed for age-resisting records, impressive business and personal stationery, legal forms and other papers that are constantly being handled.



These famous names identify the papers manufactured by the Neenah Paper Company. The name *Neenah* appears in each watermark to identify the genuine for your protection.

| | |
|-----------------------|----------------------|
| OLD COUNCIL TREE BOND | TUDOR LEDGER |
| SUCCESS BOND | STONEWALL LEDGER |
| CHIEFTAIN BOND | RESOLUTE LEDGER |
| NEENAH BOND | NEENAH LEDGER |
| NEENAH THIN PAPERS | NEENAH INDEX BRISTOL |

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used \$263 million of her official reserves of gold and United States dollars (reducing these reserves to about \$1¼ billion), purchased \$150 million in gold from Britain and converted \$87 million into American funds from exports to countries outside the sterling bloc (other than the United States) and balanced the remaining deficit with capital inflows and exchange adjustments of \$103 million. All trade and financial transactions between Canada and the United States totaled about \$3¼ billion, this large amount reflecting the extensive economic relationships between the two countries.

Tariff Adjustments Desired

The last Dominion budget had another American aspect, namely, in respect to Canadian tariff policies. The Minister of Finance stated that the trade negotiations now taking place in Geneva were of the greatest importance to Canada and that she hoped and expected that out of them would come lower tariffs and an international trade organization governing international behavior regarding import restrictions, export subsidies and other commercial policies. Canada was prepared to make tariff reductions and to agree to lower preferential duties in exchange for trade concessions by the United States and other countries. Meanwhile, the Dominion Government would not propose any tariff changes in its budget.

Consumer Bankers Convention

The Consumer Bankers Association will hold its 27th annual national convention at The Brighton, Atlantic City, New Jersey, September 25-27, according to Joseph E. Birnie, president of The Bank of Georgia, Atlanta, and current president of the national association. A. C. Armstrong, president of the Northwestern State Bank, Duluth, Minnesota, has been appointed convention chairman.

At its last annual convention, the organization changed its name from the Morris Plan Bankers Association to its current designation. At the same time, the constitution and by-laws were revised to permit additional members for the first time, with the non-competitive policy of the association to be maintained, i.e., having only one member in any community.

He built a Million Dollar Business Down in Dixie

J. H. Cade
ALEXANDRIA, LA.

**IS a Real
Asset to his
Community**



1. Twin babies born! ... an emergency incubator needed! So J. H. Cade's employees came to the rescue ... built one overnight. An unusual service, of course. But it illustrates how closely Purina Dealers fit into the life of their communities ... how ably they serve them.



2. Service to the customer—and the community—is the basis of Mr. Cade's business success. He not only sells fine Purina Chows ... he shows farmers the way to greater profits thru scientific feeding and sanitation programs.

3. This policy has brought him prosperity. He recently moved to new, attractive quarters ... is doing nearly a million dollar business annually. He says, "Purina is my most valuable single franchise!"



COMMUNITY BUILDERS



THE PURINA DEALER IS A GOOD MAN FOR THE RURAL BANKER TO KNOW

There are many more Purina Dealers who are prospering because they are filling the needs of their agricultural communities ... and they are good men for Rural Bankers to know. The Purina Dealer and his organization contact farmers day in and day out ... know their plans, problems and needs. While visiting with farmers, many of them are saying a good word for their local banks. Does your local Purina Dealer know the services that your bank offers to local farmers, so that he can recommend them? Maybe he's trying to do this now, when he thinks of it ... but why not give him your story and ask him for his active and planned cooperation? Working together ... Banker and Dealer ... you can build your agricultural community.

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Manned by officials with years of experience, our Correspondent Bank Division renders a complete service, conducted in an intimate and personalized manner.

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Other Organizations

Foreign Trade Meeting

EXPORTS of the kind that will put other nations back into production and raise their standards of living are what American business must aim for if foreign trade is to realize its full possibilities and if the battered world is to become well, members of the Bankers Association for Foreign Trade heard at their 25th annual convention at Coronado, California, May 7, 8 and 9.

This was evident in the business sessions and in the scheduled talks made by Brayton Wilbur, chairman of the board of directors of the Federal Reserve Bank, San Francisco; C. C. Pineo, loan director of the International Bank for Reconstruction and Development; and in conversations of Former Ambassador to China Clarence E. Gauss, who is Director of the Export-Import Bank.

The final business session of the foreign trade bankers re-elected all officers for the coming year. President is P. A. Kinnoch, vice-president of the American Trust Company, San Francisco; three vice-presidents of the association are W. L. Gray, vice-president, First National Bank of Boston; C. E. Hunter, vice-president, New York Trust Company, and A. W. Roberts, vice-president, Continental Illinois National Bank & Trust Company. A. R. Angell, vice-president of the Crocker First National Bank, San Francisco, was re-elected secretary, and R. B.

P. A. Kinnoch, re-elected president of the Bankers Association for Foreign Trade



Hall, vice-president, The Philadelphia National Bank, treasurer.

One feature of the program was a description of the work being done by the American Institute for Foreign Trade at Phoenix, Arizona. This discussion was by Lieut. Gen. Barton K. Yount, USA (ret.), who heads the new school, established last year to train young men properly to represent American banks and manufacturers abroad. The culture, history, politics and sports of people in other countries are impressed upon the students, most of whom are college graduates. Ninety-eight percent of this year's June class are veterans.

Over 150 members attended the convention of the foreign trade bankers, representing banks from all parts of the United States, Canada, and several banks in London. Swiss, Netherland and Mexican banks also were represented.

Statistical Dinner

The semi-annual dinner meeting of the financial markets group of the American Statistical Association is to be held in New York City this month. Representing the American Bankers Association on the committee arranging for this gathering is Robert W. Bachelor, director, A.B.A. Research Council.

Savings Head

Newly elected president of the National Association of Mutual Savings Banks is Earl B. Schwulst, executive vice-president, Bowery Savings Bank, New York. He is a member of the American Bankers Association's Research Council and the Committee for Service to War Veterans.

Mortgage Banker Nomination

John C. Thompson, president of the New Jersey Realty Company, has been nominated to be the next president of the Mortgage Bankers Association of America. Nomination has always been tantamount to election, which formality will take place in Cleveland in October.

Pres. Bailey's Schedule

President C. W. Bailey of the American Bankers Association has spoken at 13 state association meetings up to June 1. His busy schedule includes four more talks to state groups.



Danger Ahead

CONSUMER credit is at a critical point in American banking, Carl M. Flora, vice-president, First Wisconsin National Bank, Milwaukee, and chairman, Committee on Consumer Credit, American Bankers Association, told the A.B.A. Executive Council at its spring meeting.

"Instalment credit is necessary to maintain our economy at a high level," said Mr. Flora. "The automobile industry and all the different durable goods industries would slow down in the next few years and stagnate if they had to sell for cash only."

"Now the very fact that we have discovered this creates a danger because, in the opinion of our committee, tremendous pressure is going to exist within the next year or so to extend instalment credit on unsound terms, and the pattern has already started. It is apparent to those who are studying the fields of merchandising that credit is going to be the most formidable competitive weapon in the years ahead."

"Our Committee is deeply conscious of this responsibility. We have made a prolonged study of what terms might and should be. If Regulation W is abandoned, a subcommittee will suggest a sound standard of terms that should exist then with relation to existing economic conditions."

"... Those members of the Committee who have been in consumer credit and instalment credit for 20 or 25 years, who were in it back in the 20's, know that this honeymoon which we have had for the last 13 years is a highly artificial condition. We have been deeply concerned that the banks of this nation go into this credit on a sound and a permanent basis. At various meetings which have been held throughout the country, we have tried to point out that they should not go into instalment credit merely as a temporary outlet for funds, as our competitors are saying that we are doing. We have pointed out that they assume a social responsibility which is so deep-rooted, which goes down to every family in their community, that they can't decide it is too much trouble and too much work later on and get out of it."

"If a bank in a medium-sized town advertises that it will take care of credit

needs, and advertises personal loans and various other types of instalment credit, and then, when the ill wind of a depression blows, it restricts credit, it can upset the financial program and the budget of all the families depending upon it, and cause financial distress and worry in that community."

"And what is true of the family is equally true of the local businessman and the manufacturer."

"There are many national manufacturers who want banking to do the job, and they are cooperating, but they are wondering whether we will continue to serve them properly and extend the necessary credit to their dealers and to their buyers when economic conditions turn and we have some reposessions, and we have some past dues, and we have some losses."

Chase Leads with Two Aces

Chase National Bank, a relative newcomer in the field of consumer credit, is developing two distinctive features in its bid for the market. One is a "life insurance premium budget plan"; the other is endorsement of Chase's personal loan service for their employees by the managements of large companies.

Chase offers all types of consumer credit service including personal, property improvement, home appliance, automobile and small business loans, as well as financing through the dealer. But, according to Alexander M. Horner, second vice-president in charge of consumer credit activities, the bank expects to build its greatest volume in the personal loan field.

Although Chase's consumer credit department has been in operation only since May 1946, it has already achieved probably the highest over-all average in size of loan among New York City banks.

Late in 1946, Chase acquired the "life insurance premium budget plan" from the Empire Trust Company, New York, which originated the plan. Subsequently, the bank took over the New York Life Insurance employees' credit union which was operated by and for employees of the insurance company in making small loans, and also the employees' credit union of Socony-Vacuum Oil Co., Inc.

Under the premium budget plan, the

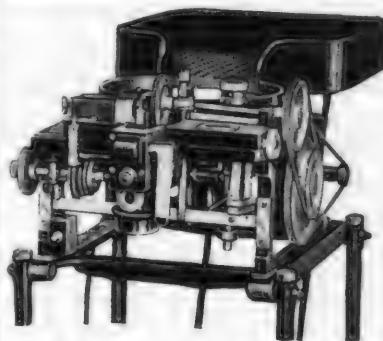
Since 1883

THE AMERICAN NATIONAL BANK

FIRST
IN
NASHVILLE

CAPITAL FUNDS
OVER 9 MILLION DOLLARS

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



COIN COUNTING

Quickly and Accurately

New Model 7-5. Latest Electric Coin Counting Machine specially designed for banks, chain stores, railways and others having a large volume. Precision parts make it rapid and accurate. Extra large tray and revolving disc. Counts into a bag indefinitely or can lock automatically when 20, 25, 40 or 50 coins are counted, or at multiples of 100. Counts 5 or 6 denominations.

Other electric and hand driven models insure speedy, efficient money handling. Write for information on type to fit your needs.

BANK SUPPLIES

ABBOTT COIN COUNTER CO.

143 St. & Wales Ave.

New York 54, N. Y.

policy holder can pay his insurance cost on a monthly basis through Chase, instead of annually, semi-annually or quarterly. The bank pays the full yearly premium at once, and the policy holder repays Chase in equal monthly installments at no greater cost than if he paid the premiums quarterly direct to the insurance company. The profit to the bank comes from the difference in interest between insurance premiums paid quarterly and annually, amounting to a maximum of about 6 percent.

Any number or type of life insurance policies may be financed under this plan. No changes are made in the provisions of the policies, nor the rights or benefits of the insured or beneficiaries.

In the event of death, the unpaid balance due on the note is retired by life insurance carried by the bank up to a specified limit without further charge.

The plan offers decided advantages to the insurance agent and the companies. The prospect of paying out \$500 or \$1,000 in a single lump sum is often a deterrent to a potential policy holder, and the Chase plan helps to break down sales resistance. For the agent, the plan also means that he can get his commission on an annual rather than a quarterly basis, and obviates the necessity of taking a note from the client in order to sell the insurance.

Chase has contacted insurance companies and asked them to publicize the

life insurance premium plan through their agents and brokers. The plan is also promoted through statement inserts and folders mailed to depositors.

While the market for the life insurance premium budget plan is necessarily in the middle income group, rather than in the mass market which is ordinarily associated with consumer credit, the borrower is apt to be a sound financial risk and the over-all average loan size is much higher, reducing operating costs.

Another device through which Chase expects to increase personal loan volume is achieved with the cooperation of the management of companies employing large staffs of white-collar personnel. These companies know their employees may need or wish to borrow money for any number of personal reasons and are anxious that they should be served by the most reputable of lenders. Chase is able to offer the employees a loan service with a maximum of privacy, and in larger amounts than a credit union which has a \$300 lending limit. So far, the bank has been well received by the management of the nationally known companies which its representatives have approached.

Chase's consumer credit volume shows a continual and encouraging increase under the guidance of Alexander M. Horner. Mr. Horner has had 20 years of experience in this field, gained with two large New York banks which pioneered in instalment lending. At the present time, he is teaching consumer credit to the New York Chapter of the American Institute of Banking.

In Mr. Horner's opinion, the volume for Chase will be in the personal cash loan field, although the bank is aggressively promoting all phases of instalment lending.

(CONTINUED ON PAGE 84)

Alexander M. Horner



BANKING

MODERN METHODS IN HAYMAKING



CALL FOR



The BALE-O-MATIC picks up all the hay



May Be Used As A Stationary Baler



The Bale-O-Matic

The new Bale-O-Matic picks up the hay, slices and ties it into firm 40 inch bales of a density and weight preselected by the tractor operator—the only manpower required. Bales are tied with two strands of steel wire while under compression and are counted as delivered from the rear of the machine.

Outstanding Features: Bale chamber, plunger and packer head and arms are all of steel welded construction. Knife steel shear blade assures easy separation of uniform layers of hay. Hardened cut steel plunger and counter shaft drive gears run in enclosed oil bath. Roller chain driven drive shafts turn on roller bearings or bronze bushings and are equipped with safety spring release clutches. The light draft Bale-O-Matic is mounted on pneumatic wheels and is powered by a 4 cylinder "V" type air cooled motor.

For complete information on the many outstanding features of the Bale-O-Matic and other Modern MM MACHINES AND TRACTORS, see your MM Dealer. MM Modern Machine Tools for your farm factory means extra profits for you. MODERN MM MACHINERY IS WORTH WAITING FOR—BUT GET FACTS NOW.

MINNEAPOLIS-MOLINE POWER IMPLEMENT COMPANY

MINNEAPOLIS 1, MINNESOTA U. S. A.

It's here—a new convenience on the C&O

NO TIPPING

of any C & O employee*

NO TIPPING IN C&O DINERS—THE
SERVICE IS COURTEOUS AND FREE



NO TIPPING THE PORTERS IN C&O
COACHES—THEIR SERVICES ARE FREE*



WHY should you—the paying customer of the railroads—have to shell out for so many of the ordinary services you need when you travel?

Why shouldn't your rail ticket entitle you to courteous personal service—without extra charge?

The Chesapeake & Ohio does not believe the travelers on its railroad should have to tip—and is taking the first step toward abolishing this nuisance. From now on, you are urgently requested not to tip C&O employees for any of the services they perform.

This means you won't have to leave

a tip on the change tray when you eat on a C&O diner. It means you won't have to dig down for change for the porters who serve the coaches on C&O crack trains.

We cannot extend the no-tipping rule to union terminals shared by the C&O with other railroads, since the redcaps in these stations are not on our pay roll. Nor can the no-tipping rule apply on Pullmans, since the porters are employed by the Pullman Company—not by us.

But wherever C&O employees are on hand to serve you, you'll find no outstretched palms—for we'll compensate these employees directly for attending to your needs.

This move to end the tipping nuisance is the latest, but not the last, of many improvements in rail travel offered by the C&O.

*** Naturally, this does not apply to Pullman porters, or to redcaps in union terminals, since they are not C&O employees.**

CHESAPEAKE & OHIO RAILWAY

TERMINAL TOWER, CLEVELAND 1, OHIO

Consumer Credit Digest

(CONTINUED FROM PAGE 82)

ment lending. Chase's merchandising is done through statement inserts to depositors, selected mailing lists, daily dramatized radio announcements, newspaper, subway and car card advertising. Financing through the dealer is promoted by letters and personal calls by the bank's representatives.

Merchandising

The CARROLL COUNTY BANK, Hillsville, Virginia, advertises consumer credit on the screen of the local theatre every other week. This bank also uses a

postage meter and every envelope which has gone out during the past year has carried this message: "Let Us Finance Your Next Automobile—No Hidden Charges." . . . **¶** CITY NATIONAL BANK AND TRUST COMPANY, Oklahoma City, instead of the usual passbook, issues a card to each borrower, typing in his name, loan number, and the month the instalment payments begin. The bank's ledger is set up first chronologically, then numerically. The customer presents the card with each payment at the window, or inscribes the number on his check, in order to facilitate finding the ledger sheet. The bank had good success in educating its cus-

tomers to present the cards . . . **¶** SEATTLE-FIRST NATIONAL BANK, Washington, says "we have found it pays dividends to favor our dealer relationship in our advertising." . . . **¶** "Word of mouth comment is an insidious thing, whether for you or against you," says DAIRYMAN'S STATE BANK, Randolph, Wisconsin. "We discovered that it is an effective method of advertising for us. Our customers return again and again with their problems and tell their friends." . . .

WACHOVIA BANK AND TRUST COMPANY, Winston-Salem, North Carolina, believes the most satisfactory approach in selling dealers is continuous personal contacts. In direct lending, this bank feels that a ground floor location is a definite advantage. WACHOVIA's ground floor locations are easily accessible from the bank building, their identity is made plain by lettering or signs on windows and doors. Customers are not routed to some remote corner of the bank. The locations are even established by separate street addresses. . . . **¶** The biggest problem CALIFORNIA BANK, Los Angeles, has had to combat with respect to appliance dealers is competition on a non-recourse basis. This bank considers some form of recourse as the only sound basis for operation.

Outlook in Durable Goods

American business, exclusive of agriculture, expects to spend about \$13.9 billion during 1947 for the construction of new plant and purchase of new equipment, according to quarterly survey of the Securities and Exchange Commission and the Department of Commerce. Another \$600 million is estimated for old or used plant and equipment. . . . **¶** Based on official government figures, prices of industrial equipment have increased only 28 percent from 1939 to March 1947, the Machinery and Allied Products Institute asserted in an economic brief. . . . **¶** Automobile sales are registering the largest gains, 165 percent above a year ago. Gains in other lines do not exceed 12 percent.

MODERNIZATION of banks will be among the features of the first annual Store Modernization Show to be held at Grand Central Palace, New York, July 7-12. Bankers will have the opportunity to see under one roof competing systems of bank modernization.

ZENITH Radio Corporation has decided to "introduce new models as they come from the laboratory and are properly field tested."



Our Correspondent Banks Use Our **BOND DEPARTMENT**

We understand their investment problems and we have had long experience as dealers in U. S. Government and Municipal Securities. Our close contacts with the major markets of the nation through our New York office and direct wire facilities help us to serve banks in the great middle and southwestern region in the management of their bond accounts. Your inquiries always have the attention of thoroughly experienced officers of Mercantile-Commerce.



MEMBER FEDERAL DEPOSIT
INSURANCE CORPORATION

Building for the Future—

Banks Aid Community Project

The Lebanon County (Pennsylvania) Home Planners' Institute has seen its dreamed-of postwar home building program actually flower, after more than two years of intensive cultivation. The first blossom is a program to erect 62 single brick dwellings. The development, financed under the FHA insured mortgage plan by The First National Bank of Lebanon, was launched by N. P. Ninneman, one of the organizers and a director of the National Home Builders Association, and regional vice-president of the Pennsylvania Home Builders Association.

The institute was organized in the Fall of 1944 (and its progress reported in *BANKING*'s April 1945 issue) as an educational and savings plan designed to stimulate postwar building through private enterprise. A non-profit community project, it was sponsored by the local chamber of commerce and supported by the banks and business firms of Lebanon.

With a membership of over 200, the institute held monthly meetings for a period of two years, hearing experts in the field of home design, construction, decoration and financing. Lebanon banks offered savings plans to the future home owners, as well as holding War Bonds in safekeeping free of charge for those accumulating a down payment.

Mr. Ninneman, developer of a successful residential area in nearby Harrisburg, attended the Home Planners' Institute where he learned that the groundwork of a building program had already been laid by the institute.

Carl Wild, consultant on land planning for Pennsylvania, has planned wide streets, a park area, and Colonial type homes equipped with modern conveniences, for the new development, to be known as Highland Park.

"Highland Park" building development in Lebanon County, Pennsylvania. A park area will be developed among the trees in the background



By wholesale purchase of materials and efficient building methods, the price range on the houses is being maintained at approximately 20 percent less than the construction cost of an individual home.

The Home Planners' Institute has temporarily discontinued its public meetings but still maintains contact with its members by mailing them home building information.

New Bank in 48 Hours

Eastman Kodak workers in Rochester, New York, returning to their homes late Friday afternoon, passed, as usual, a vacant lot between two large business houses. But when these same workers returned to Kodak Park the following Monday morning, they blinked with surprise to see a brand new bank building completed and ready for business on the erstwhile vacant lot. The Security Trust Company had built a new branch office in 48 hours.

When the bank received permission to open a branch in the Dewey-Ridge section of Rochester, Bernard E. Finucane, president of Security, immediately set about finding a vacant store or suitable building to act as a temporary location. Nothing was available, nothing but a vacant lot.

Mr. Finucane bought a 60' x 20' prefabricated structure, and engaged the services of some 50 building tradesmen, who erected the building between Saturday and Monday.

The Security Trust Company is now planning a permanent and more adequate building to replace eventually the temporary structure.

Branch Opening

The people of Salem, Oregon, turned out 18,000 strong to visit the new bank building opened by the First National

BANQUE DE BRUXELLES



*Founded in 1871 is glad
to offer quality cooperation*

TO AMERICAN BANKS

INTERESTED IN FOREIGN

TRADE WITH BELGIUM

COMPLETE FOREIGN DEPARTMENT
MAIN OFFICES IN
BRUSSELS-ANTWERP
LIEGE-GHENT

300
BRANCHES ALL OVER
THE COUNTRY

AFFILIATE IN BELGIAN CONGO AND
FRENCH EQUATORIAL AFRICA

BANQUE BELGE D'AFRIQUE



Bank of Portland, when Guy N. Hickok, branch manager, was host at an all day open house celebration. The constant stream of visitors was slowed a little by staff members who decorated each woman visitor with a corsage of a single gardenia. In the evening women employees and wives of staff members appeared in evening dress, and an organ concert was presented. A substantial number of new accounts went on the books.

The exterior of the building is of Vermont marble, set on a base of dark Minnesota granite. The granite is car-

ried inside through the entrance foyer, then gives way to extensive wood paneling of bleached birch.

Building Costs Up 80 Percent

A home that could be built for \$5,000 in 1940 costs an even \$9,000 to erect today; the average increase in residential building costs in 26 major cities since prewar has now reached 80 percent, according to a study by Northwestern National Life Insurance Company.

Almost half of this rise has taken place in the last year.

Building material prices show an average rise of 76 percent since 1940; this coincides closely with the rise of 77 percent that has occurred in the manufacturing industry's average hourly wage costs in the same period, the study shows.

In the construction industry, hourly wage rates have risen 32 percent for skilled workers and 62 percent for unskilled labor since 1940.

"Home Sweet Home Loans"

The booth of the Marquette National Bank of Minneapolis attracted attention at the Builders Show in the Minneapolis auditorium. Built to tie in with its theme, "For Home Sweet Home Loans there's no place like Marquette," the display featured an old-fashioned sitting room of 1890 or thereabouts. Props were picked up at local second hand shops, including a plush-covered album complete with tin-types. A few of the rarer articles such as the lamp and the authentic hand embroidered picture were borrowed from friends. The girls, all from the bank's "Home Sweet Home Loan" department, wore costumes of 1890.

Thousands of visitors stopped at the booth, and one sweet old lady even sat down at the organ to play "Home Sweet Home" and many other favorites.

The girls put more than 28,000 notebooks into the hands of visitors, several of whom have already applied for loans.

Home Planners Bulletin

"Moisture Condensation" is the title of the most recent bulletin in the American Bankers Association's home planners series. A University of Illinois Small Homes Council Circular, the bulletin explains that many homes have a moisture problem, and describes the contributing factors and solutions of this problem.

The home planners bulletins are part of a mortgage merchandising service made available to banks by the A.B.A.'s Advertising Department.

Prefabricated bank building erected in 48 hours



BANKING



Insurance \$\$ have shrunk as Values have Increased

Somewhere, everyday, disillusioned property owners come face to face with the financial tragedy of under-insurance. Mortgage holder or financial counselor, you have a real opportunity to build good will and protect the interests of your customers by urging adequate coverage. Your Hometown Agent, representing companies of the Fireman's Fund Group, will gladly make recommendations on bringing insurance up to values.

Fire • Automobile • Marine • Casualty • Fidelity • Surety

FIREMAN'S FUND GROUP

FIREMAN'S FUND INSURANCE COMPANY

HOME FIRE & MARINE
INSURANCE COMPANY

WESTERN NATIONAL
INSURANCE COMPANY

FIREMAN'S FUND
INDEMNITY COMPANY

WESTERN NATIONAL
INDEMNITY COMPANY

SAN FRANCISCO • NEW YORK • CHICAGO • BOSTON • ATLANTA • LOS ANGELES



A MAN who works in the wheat all day knows what it takes to place bread on the tables of the world. After he has pitched bundles all afternoon, he comes in from the field, tired, hot and sweaty; he shakes the chaff out of his pants and digs beards out of the back of his neck. He sloshes his head in a pail of cold water, dries himself on the roller towel, looks out over his fields; and says to himself—"Well, the blankety-blank wheat's in for the year."
— from Farm Quarterly.

Photo Courtesy Farm Quarterly

UNLESS...

Most every farmer knows the above experience all too well. That is . . . unless he has discovered, as thousands have, that one man can harvest grain or seed crops sitting comfortably on the tractor seat, out of the chaff . . . that straw in the field can be handled with ordinary hay tools . . . that lodged, weedy crops can be saved where a binder would be helpless and tangled grain a nightmare.

A man cannot know the rich satisfaction of harvesting his choice of 100 crops at the peak of their quality, without waiting for custom rigs . . . he cannot put plump, stalk-tipped grain in the bin at the lowest cost . . . unless . . .



UNLESS... He owns an ALL-CROP HARVESTER
"Successor to the Binder"

ALLIS-CHALMERS
TRACTOR DIVISION — MILWAUKEE 1, U. S. A.



The Country Banker

DEVANET

News for Country Bankers

2,300 Students in Carolina Soil Speaking Contest

BILL MITCHELL, a 17-year-old Franklin County, North Carolina, farm youth won the \$200 soil conservation public speaking prize in a contest sponsored by the North Carolina Bankers' Association in cooperation with the state's Soil Conservation District Supervisors. The award was made at the fifth annual farmers' day celebration in Elkin by Association President William H. Neal, who is senior vice-president, Wachovia Bank and Trust Company, Winston-Salem.

Young Mitchell, in a field of 2,300 contestants, won 10 school, county and district contests before coming to the statewide finals. He is scheduled to repeat his prize-winning conservation speech at the association's annual convention in Asheville in June.

Although a convincing soil conservation practices orator, Bill Mitchell aspires to either a legal or medical career.

The North Carolina Bankers Association started its soil conservation speaking contest in 1946. It was limited to 12 counties in the Elkin district and was won by a young lady. Her appearance before the association convention in Pinehurst made such a favorable impression that it was decided to expand the territory in 1947, and boys and girls in 45 counties were invited to participate.

Businessmen were invited to offer prizes in the school contests; civic

groups were invited to give prizes in county eliminations; and the bankers association offered prizes of \$50, \$100, and \$200 Savings Bonds in the finals.

Garland Johnson, vice-president of the Bank of Elkin, is chairman of the NCBA's agricultural committee and has had a prominent part in promoting the soil conservation contest.

North Carolina claims the distinction of having organized the first soil conservation district in the country. Today, according to John McKinney, of the information division of the Department of Agriculture's Soil Conservation Service, there are nearly 1,800 farmer-operated soil districts in the country covering 960 million acres on more than four million farms and ranches.

William H. Neal, president, North Carolina Bankers Association, right, presenting \$200 bond to Bill Mitchell, winner of the association's soil conservation contest



Medlock Named Outside Bank Representative

Clyde C. Medlock, a native Georgian and a former Soil Conservation Service employee, has been appointed full-time agricultural representative of The First National Bank of Cartersville, Georgia.

In making the announcement of the appointment, Executive Vice-president William N. Shadden said that Mr. Medlock would be available at all times to serve farmers in working out their problems, whether they be terracing, fertilization, livestock, credit, or one of the other services given by the bank to its farm customers.

Mr. Medlock took specialized training in agriculture at Clemson College, Clemson, South Carolina. His father holds a similar position with the National City Bank of Rome, Georgia.

Banks Are Adapting Firestone Soil Contest

The 4-H soil conservation program sponsored by the Firestone Tire and Rubber Company on a nationwide, sectional and state basis through the National Committee on Boys and Girls Club Work, with headquarters in Chicago, is being adopted at the county level by some banks and bankers groups.

"Our Native Land—A Trust to Keep" is the title of a colorful 28-page booklet published by Firestone, in which it points up the importance of soil conservation to the people on Main Street, Fifth Avenue and on the farm.

(CONTINUED ON PAGE 90)

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NKING



Photographed in "Harvester Farm" Exhibit at Museum of Science and Industry, Chicago

INTERNATIONAL TRUCKS Celebrate **40th** ANNIVERSARY with **NEW** line of Great Trucks



NEW INTERNATIONAL KB-5
WITH LIVESTOCK RACK

YES—this year we come to the *40th Birthday* of International Trucks—and this year International Harvester announces a great line of rugged **NEW** trucks, the KB Internationals.

You've heard it said that "Life Begins at Forty!" When you see one of these beautiful new models you'll know it's 100% true about the *over-renewed* trucks that carry the famous Triple-Diamond emblem.

Listen to James Melton on "Harvest of Stars"
Every Sunday! NBC Network.

These new Internationals are products of advanced design, research and engineering. Note the handsome lines of the two popular units shown here—the KB-1 and the KB-5. Under the hood and body are scores of features, improvements and refinements that combine to make the biggest values in 40 years of International Truck history. Full range of sizes—from the sturdy pick-up (above) to the heavy-duty hauler of 35,100 pounds, gross vehicle weight rating.

INTERNATIONAL HARVESTER COMPANY
180 N. Michigan Avenue Chicago 1, Illinois

INTERNATIONAL HARVESTER

News for Country Bankers

(CONTINUED FROM PAGE 88)

In proper sequence the booklet traces the steps to be taken to prevent and to correct erosion.

The objectives of its program are outlined by the Firestone Company in a four-page folder, which also includes information on carrying out the program, regulations and the awards.

The awards include a gold-filled

medal of honor to the country winner; six \$50 U. S. Savings Bonds to winners in the blue award state group; 16 educational trips to the National 4-H Club Congress in Chicago in the Fall to sectional winners; and eight college scholarship awards of \$200 each for winners in the national bracket.

Bank Features FFA Winner in Ad Series

"Charles Thomas of Camden, a student of Caesar Rodney High School, has won the Star Farmers award of \$100 from the National Future Farmers of America Association and further was

elected state president of the Delaware Association, Future Farmers of America, at its meeting held at the University of Delaware," said Farmers Bank of the State of Delaware in one of a series of newspaper advertisements featuring its farm youth program.

A picture of Charles Thomas, with a purebred Jersey heifer—one of his bank sponsored projects—was featured at the top of the ad along with display type announcing his selection for this award. The advertisement copy continues:

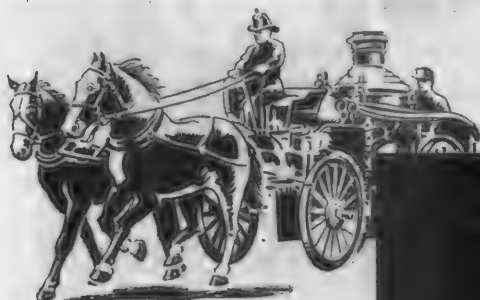
"Another project that Charles has undertaken with us is the raising of a flock of purebred laying hens. These birds have surpassed all our estimates and plans, and we are proud of Charles because he has undertaken two projects very carefully.

"We are using this instance, with the approval of his family, to show how we here at the Farmers Bank can encourage other young men and young ladies to take projects and carry them through to successful operation.

"We stand ready to help others, as we are now doing, with broilers, laying hens, cows, calves, hogs, and any undertaking that provides a businesslike education for our young folks. If you are interested, why not talk with our officers?"

Galva Bank Sponsors Youth Plan

To stimulate interest in its 4-H Club and Future Farmers of America program, the First National Bank of Galva, Illinois, offers a two-day all-expense trip to the International Livestock Show in Chicago each Fall to the voca-



HORSE-DRAWN FIRE ENGINES, UNABLE TO KEEP PACE WITH PROGRESS, WERE REPLACED WITH HIGH SPEED, MOTOR DRIVEN APPARATUS



CUMMINS MODEL 300 MAKES CANCELING EASY

Present day conditions compel maximum efficiency in Bank Operations also . . . lower costs . . . greater speed . . . less fatigue.

The CUMMINS 300 brings these PLUS . . .

1. **PRICE REDUCTION** . . . designed to give our banker friends, large and small, an electric canceler for about half the cost of former electric machines of same capacity.
2. **SATISFIED EMPLOYEES** . . . eliminates the drudgery of canceling . . . reduces it to a practically effortless operation.
3. **FAST** . . . operates automatically . . . just insert the checks . . . cancels up to 20,000 an hour.
4. **PORTABLE** . . . can be moved to work . . . yet has capacity of earlier electric cancelers of 10 times its weight.

For Safety's Sake Perforate



Originators of Perforators. Manufacturers of Business Machines for Efficiency and Protection

MAIL THIS COUPON TODAY

CUMMINS BUSINESS MACHINES

Division of A.S.C. CORPORATION
Formerly CUMMINS PERFORATOR
4752 Ravenswood Avenue, Chicago 40, Illinois

Please send me complete information on Cummins 300

Name _____ Title _____
Company _____
Address _____
City _____ Zone _____ State _____



Elizabeth Benner, California 4-H Club member and her prize-winning Angus steer. Miss Benner and a FFA member were each awarded \$200 scholarships to University of California Agricultural College by the Bank of America, San Francisco, for their entries at the Junior Livestock Exposition

tional agriculture students in the freshman, sophomore and junior classes of the Galva Community High School who complete the best home project. The winners are chosen by the school's superintendent and agricultural instructor. The agricultural instructor also is given an expense-free trip to Chicago to accompany the winning students.

E. F. Cramer, president of the First National Bank of Galva is also chairman of the committee on agriculture of the Illinois Bankers Association. His committee has recently developed a farm record book for the use of farmers in keeping a record of income and expenses for income tax purposes. He advocates that the Future Farmer and 4-H Club members learn about farm management procedure by keeping these record books up to date for their parents.

The First National Bank features its farm youth program in newspaper advertisements which are usually illustrated by a picture of a teen-age boy with a calf, a hog or a farm machine.

Merchandising Farm Services

After reading an "Outside Farm Program in Virginia," in February *BANKING*, the editor asked Murray G. Via, manager of the farm department of the First National Exchange Bank of Roanoke, Virginia, whether he has authority to approve loans on the spot while working in the field. He answered:

"Usually I do, if we have given the farmer a line of credit. Otherwise, unless his statement is unusually good, I tell him whether I think we can make the loan, but reserve definite commitment until I can talk with our other lending officers. In cases where farmers have a line of credit, we make the loans at their homes, or anywhere we come in contact with them. In visiting the farmers, we usually carry a supply of bank notes, check books, signature cards, farm credit statements, livestock appraisal sheets, machinery and equipment inventory sheets and other supplies."

Mr. Via also sent along some information on the First National's 4-H club program. It helps to finance the members, conducts meetings for the county agent, attends 4-H shows, offers prizes for the best records. This past year the bank sponsored the publication of a 4-H handbook. It includes, in addition to regulation 4-H information, the names of officers of the 4-H club county council; requirements, awards and donors in 10 countywide



Farmers Can Make Better Hay Faster and at Lower Cost When They...
Make it a Massey-Harris



With its 4-bar cylinder, the Massey-Harris No. 11 Side Delivery Rake is built for big capacity at fast tractor speeds.



The Massey-Harris No. 8 Loader is famous for handling hay gently, an important factor in making high quality, leafy hay.



With a Massey-Harris Forage Clipper, a farmer can cut, chop and load any hay or silage crop in one easy, time-saving, labor-saving operation.

THE first time you see one, you'll know that the Massey-Harris No. 6 Mower is the kind that farmers want... built to do good work and to cover more ground. Every nut and bolt, bar and brace, spells quality, performance, efficiency.

With its welded tubular construction, the No. 6 is ruggedly built. Husky roller bearings in the right places make it a light running, longer lasting mower. Guarded with safety shields, and an automatic safety release, it's as safe as any mower can be made.

But it's out in the field where farmers really appreciate the Massey-Harris No. 6. Simplicity itself to attach and detach — no lifting, pulling, or tugging.

And... with its two caster wheels, one on either side, the No. 6 is literally a contour mower. It hugs the ground to do more uniform work... to cover more acres... to do a cleaner job of cutting... and with less wear and tear on cutter, bar, pitman, bearings, and drive shafts.

There are plenty of reasons why farmers who say "Make it a Massey-Harris", show bigger profits. A copy of the 1947 Buyers Guide gives you a few of them. Your Massey-Harris dealer, a good man to know, will give you more. See him for a FREE copy of the 1947 Buyers Guide, or write direct Dept. 170.

THE MASSEY-HARRIS COMPANY
 General Offices: RACINE, WISCONSIN

With five, great, new, post-war Massey-Harris tractors, there's a size and model for every farm! Light 2-plow Model "20", full 2-plow "30", 3-plow "44" and "44-6", 4-5 plow "55".





It won't be long now!

The medicine men say June 29th will see an exciting addition to the famous HIAWATHA fleet. The new Coast trains will greatly extend the service of Milwaukee Road Speedliners.

Olympian Hiawathas

Faster schedule . . . new features . . . no extra fare

SPEEDLINERS NOW ON THE TRAIL

TWIN CITIES
Hiawathas
TWO A DAY • EACH WAY
CHICAGO • MILWAUKEE
LA CROSSE • WINONA
ST. PAUL • MINNEAPOLIS

NORTH WOODS
Hiawatha
THE FISHERMAN'S FRIEND
SERVING THE BEAUTIFUL
UPPER WISCONSIN VALLEY
MINOCQUA • WOODRUFF

MIDWEST
Hiawatha
THRU THE CORN BELT
CHICAGO • CEDAR RAPIDS
DES MOINES • OMAHA
SIOUX CITY • SIOUX FALLS

F. N. Hicks, Passenger Traffic Manager
The Milwaukee Road
710 Union Station, Chicago 6, Ill.

THE MILWAUKEE ROAD

Speedway of the Speedliners



CHICAGO
YELLOWSTONE
PACIFIC
NORTHWEST

contests; and a 4-H member's worksheet to show work to be done and work completed each month.

From this point on the book is slanted toward two fields of interest, namely, homemaking and farming.

The homemaking department provides useful information on how to create bedrooms of beauty and comfort that will express the personality of the owner, and care of the room, including instructions on bed-making; how to set the table; how to build and equip various kinds of storage space; furniture arrangement; curtains and pictures. It also includes suggestions on how to make or remodel bedroom furniture, rugs, and other decorators' items.

The farming section starts off with hints on how to keep tools. This is followed by data on poultry selection and culling and egg production; soil sampling and record keeping; vegetable gardening; brooding and rearing of chickens; project record keeping; and care of the lawn.

This handbook has been so favorably received that Mr. Via feels the bank will sponsor the printing of the book another time.

Oregon Agricultural Conference

A one-day agricultural conference during May was arranged by the Oregon Bankers Association at the Oregon State College in Corvallis.

The program included discussions by bankers, State College faculty members, Department of Agriculture specialists, and members of the Agricultural Commission of the American Bankers Association.

Among the topics covered were: "Why This Conference," "Analysis of Oregon Agriculture," "Keeping Up-to-Date on Agricultural Trends—Prices, Land Values, Supply and Demand," "Maintenance and Conservation of Oregon Soils," "Oregon Farm Markets and Marketing Problems," "Promoting Better Agriculture," "Agriculture and the Banks' Relation to It," and "Summary of the Conference."

Congress Extends Farm Labor Program

A six-month extension of the federal farm labor program—to the end of this year—has won final congressional approval. Under the program the Federal Government pays transportation, housing, and medical costs for farm workers brought in from Mexico, Jamaica, and other places. The Agricultural Department estimated costs for the six months extension at about \$10,000,000.



Unique in Michigan . . .

A non-mutual bank for savings exclusively . . . with an active consumer credit department and Foreign Exchange facilities.

AIB convention visitors welcomed

UNITED SAVINGS BANK

1133 Griswold — Between Michigan and State
Detroit 26, Michigan

Member Federal Reserve System and Federal Deposit Insurance Corp.

Convention in Detroit

(CONTINUED FROM PAGE 43)

National Bank, and the former is a past national councilman of the Institute. Mr. Wilt is assistant cashier of The Manufacturers National Bank, and Miss Hicks, past chairman of Detroit Chapter's Women's Committee, is associated with the National Bank of Detroit. Mr. Cone and Mr. Wilt are immediate past president and president, respectively, of Detroit Chapter.

Convention old-timers recall that Detroit is among the most hospitable of convention hosts and in advance of the final curtain on this convention are confidently predicting that it will go down in history as one of the best of the A.I.B.'s 45 annual meetings.

Detroit Chapter is sandwiching in between working sessions entertainment to suit the diverse tastes of delegate and non-delegate guests.

AMONG the senior bankers who are taking an active part in the sessions is Henry H. Sanger, chairman of the board of The Manufacturers National Bank. Mr. Sanger helped to organize Detroit Chapter in 1903 and was its first president. Chapter membership in 1903 was 30; today it is 2,127. Mabel Saxton, who helped organize Detroit Chapter's women's auxiliary in 1922, is sharing the spotlight. She, also, is with Manufacturers National.

A vote of thanks is due the Detroit subcommittees assisting Mr. Failor. The chairmen are: *Reception*, H. P. Carr, The Detroit Bank; *transportation*, Edwin Anderson, United Savings Bank; *personnel*, E. C. Harris, Federal Reserve Bank; *reservations*, C. H. Hyett, The Detroit Bank; *information*, Walter Urch, Bankers Trust Company, *entertainment*, L. G. Bott, The Manufacturers National Bank; *women's*, Bonnie Matches, The Detroit Bank; *public speaking-debate*, W. C. Leonhardt, The Manufacturers National Bank; *meeting places*, K. S. Patton, National Bank of Detroit; *finance*, J. R. Wagner, National Bank of Wyandotte; *registration*, A. S. Greiner, National Bank of Detroit; *utility*, Walter Shinkath, Wabec State Bank; and *publicity*, A. R. Blacklock, Commonwealth Bank.

Behind the administrative curtain are, of course, the national office staff who have had such a large share of the responsibility for designing the program and fitting the pieces together. They include: Dr. Irwin, Leroy Lewis, Floyd W. Larson, R. C. Rutherford, Marion Turner, Marjorie Goodbout, Margaret Price, Helen Coffey, and Mildred Kottemann.

NETWORK

The network of Marine Midland banks keeps us in touch with local people and local business in 46 New York State communities. We offer our correspondents and their customers first hand information about New York State industry and commerce.

Member of Federal Deposit Insurance Corporation



MARINE TRUST COMPANY

Buffalo's Oldest and Largest Commercial Bank

STEADY GROWTH



... growth that measures the steadily increasing recognition of the need for Life Insurance on Consumer Credit...and the superior type of coverage and service Old Republic provides.

Old Republic offers a complete line of group and optional insurance on Consumer Credit, written on either a monthly-decreasing or level-term basis. Write for complete information on rates, commissions and coverage.

OLD REPUBLIC

CREDIT LIFE INSURANCE COMPANY

James H. Jarrell, President

309 West Jackson Boulevard, Chicago

Standard Oil Company

Some highlights from the Annual Report for 1946, which has just been issued

The conduct of business and the welfare of people in general are closely related here in the United States. That is why we publish the following summary of this company's annual report to its 164,000 stockholders. Put as briefly as possible, here are the year's developments in our work which are of the broadest public interest.

Eugene Holman

EUGENE HOLMAN
PRESIDENT

Frank W. Abrams

FRANK W. ABRAMS
CHAIRMAN OF THE BOARD

THE WORLD'S NEED FOR OIL in the postwar period is developing even more rapidly than was expected. Not only in the U.S. but world-wide, demand for oil products in 1946 was the largest in history, exceeding even the war years' period. The pressure of demand is being felt in all lines of the business.

AFFILIATES OF THE COMPANY are now operating practically at maximum capacity—a situation prevailing throughout the industry. Needed increases in output can be achieved only by enlarging every operation from well to market. In financing these activities, capital expenditure in 1946 reached the record figure of \$279,000,000. The budget for 1947 provides for further increases. Construction of needed new facilities is one of the industry's major tasks for the immediate future.

NET EARNINGS accruing to the interest of Jersey shareholders represent a return of 11.12% on average net worth, or 10.80% on total income of the Company and its affiliates. Such consolidated earnings for 1946 came to \$6.50 per share of outstanding stock, a total of \$177,610,000. Net income for the parent Company was \$3.83 per share, a total of \$104,770,000. Dividends of \$3.00 per share were paid by the Company during 1946.

OF TOTAL MONEY TAKEN IN from all sources by the Company and its affiliates, 64% was paid out for

crude oil, other materials and supplies, maintenance, direct taxes, and similar necessary expenses.

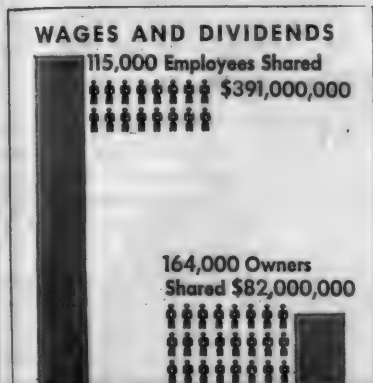
36% REMAINED after these expenses. Of this remainder, 65% was paid to 115,000 employees, 13% went as dividends to the Company's stockholders, 16% was held for use in the business, and 6% was the amount applicable to minority ownership of subsidiary companies.

INCREASED PRODUCTION AND SALES reflected the world's growing need for oil and its products. World-wide production of crude oil by Jersey affiliates increased 9.6% over 1945. Working at or near capacity, refineries of Jersey affiliates processed 7% more oil than in 1945—producing 9% of total U.S. petroleum products. Sales by affiliates also reflected rising need for oil. With relaxation of rationing, there has been increased use of oil products not only in this country but also in most of the foreign countries served by Jersey affiliates.

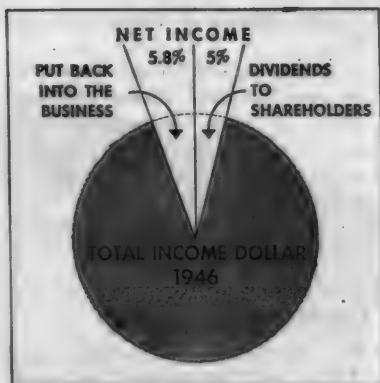
19 OCEAN TANKERS were purchased in 1946, in replacing tankers lost during the war. To promote greater safety at sea, three of our ships have now been equipped with radar and two more are being so equipped.

RESEARCH WORK during the year moved ahead, developing better and more versatile processes and products. Special attention was given to develop-

(New Jersey) reports...



EACH FIGURE REPRESENTS 6,975 PERSONS, and the bars represent the amounts of income each group received from Jersey in 1946. The sum of \$391,000,000 was paid to employees of the Company and affiliates in wages, salaries and benefits. Dividends amounted to \$82,000,000.



THIS SHOWS THE AMOUNT OF NET INCOME accruing to the interest of Jersey shareholders during 1946. It shows also the proportion paid to these shareholders in dividends and that left in the business to meet future capital expenditures, etc.

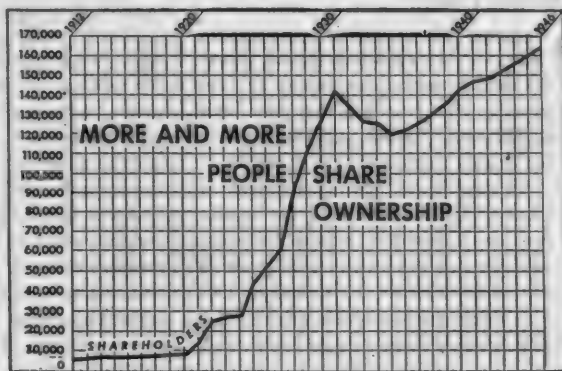


COPIES OF THE FULL REPORT are available on request. Address Room 1626, 30 Rockefeller Plaza, New York 20, N. Y.

ment of high octane gasolines to anticipate the requirements of coming higher compression automobile engines—giving greater power and increased miles per gallon. Semi-commercial conversion of both natural gas and coal into oil products has shown encouraging progress.

GOOD LABOR-MANAGEMENT RELATIONS during the year continued the Company's long record of industrial peace. There was no domestic strike or work stoppage during the year. 88% of former employees discharged from the armed services have returned to work for the Company. In addition, 11,577 veterans were newly employed by the Company. More than 78% of eligible domestic employees participated in the Group Insurance Program. Employees saved \$17,615,000 in the Thrift Plan last year, to which their employers added \$30,329,000.

LOOKING AHEAD, it is clear that if men, through science and machines, are to drive persistently toward better living standards for all people, vast quantities of oil must be found, brought to the surface, refined, and distributed to all parts of the



WIDENING OWNERSHIP OF NEW JERSEY is shown by the fact that the number of shareholder accounts has increased from 5,816 in 1912 to 164,000 as of December 31, 1946.

world. Standard Oil Company (New Jersey) is increasing substantially its activities and investments abroad as well as in this country. These are practical demonstrations of our confidence that American enterprise can help meet the needs of people everywhere and thereby serve the cause of lasting peace.

STANDARD OIL COMPANY (NEW JERSEY)
AND AFFILIATED COMPANIES



Methods and Ideas

Checks for Employees

THE FIRST BANK & TRUST COMPANY of South Bend provides its employees with personalized checks as a means of promoting staff goodwill and of advertising the bank.

All employees, including the executive staff, are offered checks printed with the individual's name, contained in a leather folder which is also imprinted. Under the name appears "A First Bank Employee."

President J. D. Barnette reports that approximately 90 percent of the staff is using the checks.

"The program," he says, "has proven itself to us as a goodwill builder with our employees and has generated favorable comment from merchants and industry in our area."

Safety First

CENTRAL BANK OF OAKLAND, California, makes a public relations gesture that has attracted comment and interest. It circulates a little folder, "Office Hazards," which suggests some of the dangers that await the careless.

"Central Bank sells no accident insurance," the booklet tells the reader, "and has no selfish reason to worry about the number of times you stumble over a drawer left open, impale yourself on a filing spike, cut an artery on a shattered glass top, or injure your sacro-

iliac by skidding on a loose rug or slick floor.

"It just occurred to us—inasmuch as we own this fine 15-story building in which our main business office is located—that a few safety tips might be appreciated by our tenants and customers of the bank."

The hazards are briefly described and many of them are illustrated with cartoon drawings.

Correspondent Services

THE "101 Things the Bank of Virginia Can and Will Do for Your Bank" are briefly described in a booklet issued by this bank for distribution among its correspondents.

The purpose, says President Thomas C. Boushall, "is to outline in a concise way the scope of our facilities, stressing those most actively used by correspondent customers."

The services are noted under seven main headings: Consumer credit, banking facilities (collections, currency shipments, wire transfers, letters of credit, etc.); investment and loan counsel (investment formula, investment of surplus funds and bond portfolio advice, 46 different kinds of banking loans, appraisals, etc.); operational counsel (tax problems, surety bond coverage, audit, cost control and accounting, forms, operating problems); group annuities and insurance; personal services (hotel,

train and plane reservations); other services (public relations and advertising).

Economic Meeting

MORE than 1,400 bankers and industrialists attended the 14th Economic Meeting sponsored recently by the PEOPLES FIRST NATIONAL BANK & TRUST COMPANY of Pittsburgh at the William Penn Hotel.

The banking section of the meeting opened with a welcome by President Robert C. Downie, who introduced Mills B. Lane, president of the Citizens and Southern National Bank of Atlanta and E. I. H. Bennett, vice-president of the Peoples. Later the bankers were joined by leading industrialists who heard a talk by C. F. Kettering, vice-president of General Motors Corporation.

Mr. Lane, in his talk to the bankers, advised them to pay more attention to the small businessman.

"We've got to forget class and think of mass in this business," he said. "The time has come for bankers to come down from their high perches and get closer to the little people."

Mr. Bennett, discussing the commercial bank's place in consumer credit, said:

"If you have any doubts about your place in the field of consumer credit, surely you can have no doubt about

(CONTINUED ON PAGE 98)

HELEN W. FREEMAN

"A First Bank Employee"

No. 162

SOUTH BEND, IND. 194

PAY
TO THE
ORDER OF

\$

DOLLARS

First Bank and Trust Company
of South Bend

71-1212 South Bend, Indiana 71-1212

CANCELLED

An employee's personalized check

POSITIVE

*of every
item!*



PROOF

● The National Proof Machine gives positive proof of every credit total. It identifies each deposit slip, incoming letter, and clearing list, by printing a tracer number which automatically advances with the entry of each deposit in the machine.

The National Proof Machine enters *everything* . . . incoming mail, counter transactions, and incoming clearings. All these operations are handled quickly and accurately. The National Proof Machine provides centralized control of every department. All proof figures are compiled at *one* source with this new machine.

The National Proof Machine makes accuracy *compulsory*! If the operator makes an error in recording an amount — or if an error is made by the depositor in adding the deposit ticket — the machine locks automatically. On depressing the error key, the amount of the error is automatically printed on the master tape, and the correction is made immediately. No other machine has this feature!

The National Proof Machine has shutter-directed sorting to assure correct distribution of checks by classification.



THERE'S A NATIONAL FOR EVERY BANK, LARGE OR SMALL! There's a National System for *every* banking job. Why not call your National representative and get the full story? Or write to The National Cash Register Company, Dayton 9, Ohio. Offices in principal cities.

Methods and Ideas

(CONTINUED FROM PAGE 96)

your responsibility to the business people of your community.

"It is the small merchants, the small jobbers or manufacturers, who go toward making up the major business factor of this nation, and unless you give them adequate, practical financial assistance, neither they nor our system of private enterprise can possibly continue. If the banks have any place in our economic system, it is right here in the small business field."

Foreign Trade

BANK OF THE MANHATTAN COMPANY, New York City, publishes a pamphlet, "Opportunities and Pitfalls in Foreign Trade."

"We are probably on the edge of a period of great expansion in exports and a revival in foreign investment by our business," says Vice-president Howard J. Rogers in the foreword, "and there is perhaps more optimism today with respect to foreign trade prospects than has been the case since the early Twenties."

"There is, however, a danger that, in our efforts to take advantage of the opportunities, we may lose sight of the

fact that there are pitfalls as well. The world has inherited from the depressed Thirties and from the most destructive and costly war of modern times a degree of political and social disorganization which cannot but unbalance the course of world economic development for a long while ahead. There are areas where currency systems are in a state bordering on chaos, others where prices are in the throes of a wild inflation spiral, others where internal regimentation or nationalization are the order of the day, and others where debt is bloated and budgets are so far out of balance that credit operations involve great risk.

"This is not to say that because foreign trade and foreign investment involve risks, all plans for expansion should be abandoned. Risks are ever-present in all fields of business and it is a commonplace that the rewards tend to be the most attractive where the risks are greatest. The opportunities in foreign trade are large. The rewards can also be large in proportion as the foreign trader and investor approach the opportunities with an intelligent awareness of the risks involved.

"It is the purpose of this analysis to point out both the opportunities offered to American business concerns and the pitfalls they must avoid if their foreign operations are to yield a profit to them and economic gain for the nation."

Equal space is given to the opportunities and the pitfalls.

Vacation Preview

"**YOUR** Vacation Preview" was the name given a colorful travel exhibition presented by THE BANK FOR SAVINGS of New York City.

In three spacious rooms the bank displayed pictorial material and literature covering a variety of places, including Bermuda, New England, Mexico, the South, the West and Canada.

Flowers sent by friends and customers helped the Portland (Oregon) Trust and Savings Bank celebrate its 60th birthday



Highlights

IN INSURANCE HISTORY



EXCLUSIVE MEMBERSHIP

In the early 1800's membership in an American Fire Society was based on social importance rather than fire-fighting ability. Rival societies not only tried to surpass each other with beautifully decorated engines and expensive uniforms, but in superiority of big-name membership. There were several competitive societies in Boston, and other citizens thought they indulged in too-frequent "inspection parties". These gay affairs were held supposedly for the purpose of inspecting each member's equipment, which consisted of: 2 leather buckets, a canvas bag for saving valuables, and a bed key.

While the National Union and Birmingham Fire Insurance Companies see the importance of an organization "putting its best foot forward" they hold the old American conviction that any organization's worth is measured by its performances.

**National Union
and Birmingham**

FIRE INSURANCE COMPANIES
PITTSBURGH PENNSYLVANIA



The correspondent bank meeting in Chicago

Correspondent Conference

THE FIRST NATIONAL BANK of Chicago is a firm believer in the exchange of ideas on banking subjects and in co-operation with its correspondents. To strengthen its relationship with these banks and to help develop new techniques in banking, the First held a bank correspondents conference in Chicago early last month.

Meeting at the Morrison Hotel, nearly 400 bankers from Illinois and Wisconsin were present. The meeting was so successful that the bank plans to make it an annual affair, enlarging the area represented.

Four general subjects were discussed: federal income taxes, with Comptroller Charles Z. Meyer, Assistant Comptroller Forrest G. Paddock, and Richard B. Keck and Irving E. Carlson leading the discussion; government and municipal securities, with Vice-presidents Austin Jenner and John H. Grier and Assistant Vice-president Lewis Miller as panel leaders; internal bank operations, Vice-president C. Edgar Johnson, Attorney C. Edward Dahlin, Assistant Cashiers Alfred E. Langenback and Howard S. Alsip; and foreign banking operations, Vice-president Harry Salinger and As-

sistant Cashiers R. Kenneth Newhall and Guy A. Crum.

The correspondents were luncheon guests of the bank on each of the two days of the conference, and there was a dinner the first day, with Edward E. Brown, chairman of the board, as speaker.

"Alice" and the Savings Banks

THE adventures of "Alice in Savings Bank Land" are told in pictures and text in an advertisement of the New York State savings banks.

Stepping from the covers of her book, Alice meets Bill Dollar who takes her to the bank so that she can see what savings bank dollars are doing "for the good of all the people."

"Everybody knows you earn interest there," says Alice, "but . . ." "But," interrupts Bill, "you're going to know *how* we earn it."

So they visit a housing development, children's playground, and a private home—all built with savings dollars.

In the last picture Bill sits on a wall, Humpty-Dumpty-like, and Alice, with the hookah-smoking caterpillar behind her, exclaims:

"Imagine! And I thought you just stayed in big steel boxes in the savings

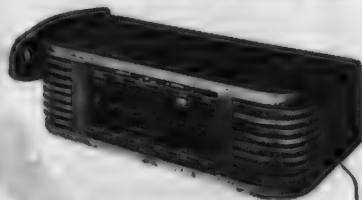
Part of the New York savings banks' "Alice" ad



How to
Lower the
High Cost
of Help

Dictograph INTERCOMMUNICATION

The Individually-Engineered System



Skilled help comes high—and it's mighty scarce, too. So follow America's most successful firms—use DICTOGRAPH intercommunication, the system individually-engineered to increase the efficiency of your *present* staff!

With DICTOGRAPH, your staff members have instant contact with each other, your executives keep in *confidential* touch with the entire organization. Orders are issued, information secured without anyone leaving a desk. And their voices are carried through *privacy* handsets—right to the *one* person for whom instructions are intended—without disturbing anyone else.

Also, when a top man calls a staff member, his call gets the right-of-way . . . insuring immediate action! Yes, DICTOGRAPH is *perfection* in intercom, guaranteed for 10 years, pointed to every forward-looking firm, large or small. Send the coupon today.

Sales and Service in
Principal Cities

DICTOGRAPH PRODUCTS, INC.
580 Fifth Ave., New York 19, N.Y. B-6

Gentlemen: ☐ Please send me free copy of "Meet the Composite President of 10,000 Major Companies."

☐ I'd like a demonstration.

NO OBLIGATION.

Name.....

Company.....

Address.....

City.....State.....

banks!" To which Bill replies: "Some of us do. Now listen closely, Alice—here's exactly what happens . . ."

He goes on to explain that 16 out of 17 savings bank dollars "work for you outside the bank," the other remaining as a reserve. "What we earn, you get," he continues. "Your savings banks keep no profits—just minimum operating expenses. Even the trustees, who are leading men in their communities, do their work for the savings banks as a public service."

Rose Show

Something new was added this year

to the annual Spring Rose Show which CENTRAL BANK of Oakland, California,

holds in its lobby for the public's enjoyment.

An hour and a half was set aside one evening to allow amateur photographers to take color pictures. The bank provided flood lights, some of its prettiest girls, in brightly colored dresses, were there for background, and everybody was invited to take as many pictures as he or she wanted. The public was barred during the interval. Prizes were awarded for the three best photos.

The show, sponsored by the Rose Study Club of Oakland, featured more than 4,000 blossoms and 325 varieties of roses. It was open from 10 in the morning until 9 at night. There were awards from the bank for the best blooms.



Friendship

WHEN the bank serving you has a personal understanding of your individual needs, better service naturally results. That is why we constantly strive to maintain the feeling of warm friendship which has characterized the relationship of the Fifth Third and its correspondent banks. If you have not already become acquainted with Fifth Third service, we would welcome an opportunity to talk with you about it.

THE FIFTH THIRD UNION TRUST CO.
CINCINNATI, OHIO

Member Federal Deposit Insurance Corp.
Member Federal Reserve System



The remodeled quarters of the Lucas County Savings Bank, Toledo, Ohio

Memorial to Banker

A MUNICIPAL stadium, with a seating capacity of 30,000, is to be erected in Mobile as a memorial to the late ERNEST F. LADD, president of The Merchants National Bank of Mobile from 1915 until his death in 1941.

The stadium is being sponsored by the bank and affiliated interests to fulfill a civic need and to commemorate Mr. LADD's services to his community. The City of Mobile has leased a 43-acre tract to the stadium corporation, a non-profit organization administered by a seven-man board of trustees. Three trustees were chosen by the City Commission, three by the Mobile Chamber of Commerce, and the seventh will always be the president of the Merchants National or the person designated by its directors. J. F. McRAE, president of the bank, now heads the board of trustees.

Profits from the stadium can only be used to enlarge or improve it and to develop new recreational facilities in Mobile. The structure, it is expected, will be ready before the opening of the 1948 football season.

Three reasons why Royals are a better buy for you:

1.

GREATER EFFICIENCY!

Royal has more *work-saving, time-saving* features than any other typewriter. This is a fact which results in higher production per machine. Call in your Royal representative—and *be shown the proof*—in an actual Royal demonstration!

2.

GREATER DURABILITY!

Durability comparisons prove why today's Royal is the World's No. 1 Typewriter. Its construction is the sturdiest our engineers have yet produced. Result: *minimum* stenographic work losses; *maximum* service return for your investment.

3.

THE FAVORITE WITH TYPISTS!

A national survey made among hundreds of business girls shows that Royal is the preferred typewriter—*2 to 1 over any other typewriter*. Your stenographic staff will do *more and better* work on machines they *prefer to use*. Order Royals!

ROYAL

World's No. 1 Typewriter



A Briton's View of the G.S.B.

J. B. HINTON, Director of Studies of **J.** the Institute of Bankers, London, described the work of the American Institute of Banking and The Graduate School of Banking in a recent lecture to the Glasgow and Stirling Centres of the British organization.

Discussing "Banking Education in Britain and America," Mr. Hinton re-

ferred to the G.S.B. as "the distinctive American contribution to banking education." After outlining the three-year curriculum, Mr. Hinton, who will be a seminar speaker at this year's resident session at Rutgers University, and who has been a guest at the School during previous visits to this country, said:

"This all sounds to me like a pale shadow of the real thing as I recollect it. How can I describe to you the gusto of these meetings, the noisy crowd pouring in and out of lecture rooms, in their shirt sleeves for the most part—for the heat is terrific—the singing, story telling, wise-cracking groups in the refec-

tory; the bold and unhesitating contradiction in animated discussion between experienced bank officers of 30 to 40 years of age under the presidency of some distinguished exponent of the phase of banking under discussion; or the long 'bull-sessions' in the houses of the faculty, when they devote themselves with insatiable American curiosity and hospitality to loosening the tongue of the British visitor, turning him upside down, so to speak, to see what will fall out of his mental hip-pocket.

"It has to be experienced to be understood."

**1 OUT OF 10
TOURISTS
Remain in the West**

Yes, they do stay out here and contribute to the development of the Los Angeles area.

Citizens National Bank is growing with the community and is constantly in better position to serve as a correspondent bank.

**CITIZENS
NATIONAL BANK**
ESTABLISHED 1890
Member Federal Deposit Insurance Corporation LOS ANGELES

Early Chapters of the A.I.B.

Here is a chronological list of American Institute of Banking Chapters formed during the first two years of the organization's existence:

- | Chapter | Organized |
|---|-------------------|
| (1) Alexander Hamilton, New York (Merged with New York Chapter, October 13, 1904) | March 23, 1901 |
| (2) St. Louis | March 27, 1901 |
| (3) New York | March 28, 1901 |
| (4) Chicago | April 7, 1901 |
| (5) Manhattan, New York (Merged with New York Chapter, May 13, 1902) | April 13, 1901 |
| (6) Cincinnati | May 4, 1901 |
| (7) Pittsburgh | May 14, 1901 |
| (8) Minneapolis | June 5, 1901 |
| (9) Louisville | June 13, 1901 |
| (10) Denver | October 9, 1901 |
| (11) Baltimore | December 4, 1901 |
| (12) Washington, D. C. | December 19, 1901 |
| (13) Philadelphia | December 26, 1901 |
| (14) Grand Rapids | December 1901 |
| (15) Toledo | January 17, 1902 |
| (16) Buffalo | January 28, 1902 |
| (17) Cleveland | February 1, 1902 |
| (18) Detroit | February 9, 1902 |
| (19) St. Paul | February 17, 1902 |
| (20) New Orleans | February 18, 1902 |
| (21) Richmond | February 27, 1902 |
| (22) Salt Lake | March 7, 1902 |
| (23) San Francisco | March 16, 1902 |
| (24) Providence, Rhode Island | March 28, 1902 |
| (25) Hartford, Connecticut | April 4, 1902 |
| (26) Kansas City, Missouri | April 1902 |
| (27) Springfield, Massachusetts (Organized as Hampden County Chapter) | April 1902 |
| (28) Boston | May 22, 1902 |
| (29) Milwaukee | May 30, 1902 |

Allison
COUPON
COMPANY
INC.

the KNOW HOW

Whatever your Payment Coupon Book problem may be—get a practical answer from Allison.

With a background of 59 years experience, Allison KNOWS HOW to design Coupon Books that tie in with your set up—are low-cost in use—and secure prompt collections.

Samples of what we have done for others, together with complete information, will be sent upon request. Write to head office:

Indianapolis 6, Indiana.

"SINCE
1888"

When you modernize the properties
handled by your bank

you help safeguard your investments

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appeal and make them more profitable for you?

Meanwhile, send for your **FREE** copy of our booklet, "How Eye-Appeal—Inside and Out—Increases Retail Sales." Here is a very interesting and informative brochure containing data and photographs of a wide variety of installations of Pittsburgh Glass and Pittco Store Front Metal. Simply fill in and return the coupon below and a copy will be forthcoming without delay.

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An Opportunity

(CONTINUED FROM PAGE 54)

bankers—have been willing to accept deposits, buy bonds with them, and collect the safe yield from these governmental obligations rather than render the essential services which their banks were chartered to perform. In this light, it can do banking no harm and it may do a great deal of good if a larger proportion of Treasury bonds are taken from bank portfolios and sold widely among the people of this nation.

Bankers who have tried the Bond-a-Month program tell us that it actually can save a bank time and money in the handling of bond sales. I am sure this is true, but suppose it is not. Suppose it costs a bank a little extra because of the increased volume of bond sales it produces. This business of making the national debt a matter of national ownership, the necessity for reducing the threat of inflation which the surplus money in the hands of our people contains—both of these are vitally important to the welfare and stability of our nation. Selling bonds to individuals will spread debt ownership and will safely siphon off excess personal funds. If our national economy can be safeguarded and stabilized by selling Treasury bonds in this or any other fashion, the banks should wholeheartedly contribute their services.

The structure of debt that the war built is not just the Treasury's "Katzenjammer" castle. We cannot stand by with our hands in our pockets holding tight and waiting for the roof to fall in. We are all living under that roof and doing business under it—a hundred and forty million of us. I am neither a pessimist nor an alarmist. I try to be a realist and still believe that our people, if they work together in peace one-half as effectively as they did in war, can handle any problem, and that includes a \$260 billion national debt.

In almost every land on earth but ours, free government has collapsed or is crumbling. You can count the democracies left on this earth on the fingers of one hand and on the other you can count the lands where there is even moderately free enterprise. I do not have to tell you that it is not going to be possible for us to keep a democracy and free enterprise working and thriving in a world of dictatorship and planned economies unless we really work together and keep producing.

As chairman of the A.B.A. Small Business Credit Commission, I welcome

(CONTINUED ON PAGE 106)



Correspondent banks, let this be your Foreign Department!

MOST OF OUR domestic correspondent banks find it unnecessary to maintain their own Foreign Departments since the complete facilities of our Foreign Department are at their entire disposal. If a problem arises all that is necessary is to phone, wire, or write us. They initiate the transactions; we furnish the facilities.

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Your inquiries as to how we can work with you on Foreign banking transactions are invited.

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BANK FRAUDS is based on detailed studies and investigations of thousands of actual bank embezzlements, the facts of which were placed at the author's disposal by several of the larger Surety Companies and from the many fraud cases handled by him and his firm. An analysis of these hundreds of cases, arranged by functional departments of a bank, is contained in a handy Appendix. . . . \$4



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(CONTINUED FROM PAGE 104)

this plan for I know it can help small business enterprises to build up reserves and make them better credit risks for their banks. The Bond-a-Month program will provide small business owners, and professional people, with an opportunity to buy bonds in the same way that the payroll plan has helped salaried people to accumulate bonds. It will put us in a position to help our customers build up in a steady way a backlog of financial reserves. If a small business man has reserves in the form of Savings Bonds, we know that he is a man worthy of credit. This plan I am confident will enable banking to add to the splendid job it has already done in helping small business both by financial service and advice and counsel.

Banking is alert for opportunities to broaden customer relations. We make our institutions friendly and attractive, try to get the people into our bank lobbies and talk with our officers. The Treasury Savings Bond program can be a "natural" for banks in their efforts to win the goodwill of the public. It will continue to bring new customers into our banks, as well as give us the opportunity to render an additional service to our present customers.

We cannot solve all of our problems by selling more Savings Bonds, but we can solve one of our more pressing problems. This Bond-a-Month plan gives banks a new opportunity to serve the nation, to serve their depositors, and to serve the best interest of chartered banking by spreading the debt and thereby stabilizing our economy.



"But I should get at least 10 percent reward for finding a passbook showing a million-dollar deposit"

BANKING

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a little

SKIMP

in your elevator?



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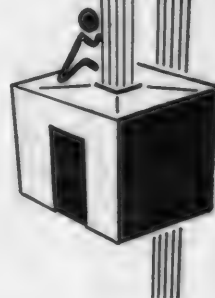
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Whether it's installing the new, modernizing the old or maintaining the existing, Otis can serve you best. For the finest in vertical transportation call your local Otis office today.

AND CARED FOR RIGHT!



No Ceiling on Education

(CONTINUED FROM PAGE 27)

tion, the Great Books Plan. The idea, initiated by Dr. Mortimer Adler and Robert Hutchins, Chancellor of the University of Chicago, is that people both with collegiate degrees and those with little formal education are interested in reading and discussing great books. Mr. Hutchins says, "We have been saying for years that the way to improve society is to educate the people, but we have limited education to infants between the ages of six and twenty-one."

The results that are being claimed by the advocates of this plan are little less than spectacular. We are told that people like to read Aristotle and Rousseau, that the office manager and sheet metal worker, the accountant and the industrial nurse, find high interest in discussing Thucydides' Peloponnesian War. The dominant idea is the reading of great books with the discussion supervised by two directors "whose purpose," we are told, "is to check each other, to keep the discussion among members of the class and see that no teaching is done."

IN addition to the more or less formal types of adult education discussed above, our society presents many other varied types of instruction of an informal nature. By means of public forums, women's and men's clubs, public libraries and museums, radio, the press and motion pictures, possibilities for continuing education are enormously enhanced.

Public forums constitute a truly democratic and truly American form of popular education. John W. Studebaker, present Commissioner of Education, U. S. Department of the Interior, developed the non-professional type of forum to a very high point of excellence in Des Moines and the surrounding area. The forum's importance in our society has been increasing, particularly in the past decade. Forums can be thought-provoking and informational in character; any association for the purpose of exchanging ideas cannot help but be an important educational force. Nevertheless, the public forum as a method of education has certain weak-

nesses. It is apt to thrive on sensational subjects. It tends to draw larger crowds when the topic under discussion is radical in nature and the participants are partisan in their approach, or clever with clichés and humor.

WERE space available, we would extend this description of adult education to describe the work done by the U. S. Armed Force Institute during the last postwar period, the activities of the Sorosis Club, the Association for the Advancement of Women and the General Federation of Women's Clubs. It would include a description of the part played by free public libraries, a step generally accredited to the enterprise of Benjamin Franklin. It would include a description given by Enoch Pratt and Andrew Carnegie in the founding of the American Library Association and the work done by many public libraries today which have established advisory service for readers. But the list is too long.

With this background of the Adult Education Movement we are in a position to understand the part played by the American Institute of Banking and The Graduate School of Banking in the field of adult education. Since 1900 the American Institute of Banking has awarded 40,909 pre-standard certificates, 30,277 standard certificates, and 831 graduate certificates. On May 3, 1947, it had 221 chapters and 143 study groups. Its membership is 78,605 and its class enrolments 40,453.

The Graduate School of Banking, since its initial session in 1935, has had an attendance of 3,168 students, including the 1947 enrolment. Current attendance is 921. It has granted diplomas to 1,507 graduates. The average age of those who have attended is 38. Both the American Institute of Banking and The Graduate School of Banking have carried on work by correspondence.

WHAT is the outstanding achievement of these two institutions—the American Institute of Banking and The Graduate School of Banking? As one who has kept closely informed but who is still outside of these institutions, inasmuch as he is a teacher and not a banker, I would place my tribute in these terms:

"Despite the size to which both of you have grown, and despite the number of students you have encompassed and the variety of courses which you have offered, you have remained fundamentally the educational institution which you aspired to be from the outset. You have not sacrificed the integrity of an educational institution for the illusory gains which arise from increasing your numbers through letting entertainment supplant the pursuit of knowledge." In reality the success of these two great educational ventures has been made possible by the bank officers and bank employees who have wanted to know more about banking in the broadest meaning of that term and have been willing to put themselves through a tough discipline to acquire that knowledge. This success was also dependent upon teachers, both practical bankers and others, who were willing to give their strength—more than the fag-ends of their energies—to instructing night classes and to grading student papers. Finally, at the national headquarters of the American Bankers Association there were men of vision and understanding who constantly stressed truly educational attainments.



"May I cut in?"

Tribute to the First Faculty of the Graduate School

(CONTINUED FROM PAGE 28)

We pass on then to the faculty work after the resident session is closed. No study time is provided during the resident session. Study and answers to problems based on lectures are required of the students by correspondence work when they return home. These problems are comprehensive and their answers require from 15 to 30 pages each. Each student receives on an average a problem a month during the 16 months of extension work. In his last year the student must write an original thesis on some subject which he has chosen. These theses compare with college theses in the graduate work. All these problems and theses must be read by the faculty, criticisms made upon them, grades recorded, and the problems returned to the students. The theses become the basis for panel examinations of the students by the faculty in their graduating year.

I cite this brief record of instruction and grading to illustrate the point of the unusual amount of time required on the part of the men who join the faculty. In considering an instructional corps for The Graduate School of Banking we proceeded on the theory that banking is an art based upon three sciences—two are rather exact sciences and one might be termed an inexact science. Law and accounting were the exact sciences we took into consideration. Economics was the inexact science. Our teaching staff, therefore, came from banking, accounting, law and economics. In these areas we went to look for men who had ability as teachers, had been successful practitioners in their field, and had a Santa Claus

attitude toward their leisure time from their regular pursuits. Beyond all else they had to be men of pioneering attitude toward life and with a willingness to risk their already established reputations in a new field of endeavor.

The following were the men who accepted our invitation to the original faculty:

Eugene E. Agger, Willard E. Atkins, George P. Barse, M. J. Brines, John J. Driscoll, George W. Edwards, Adrian M. Massie, Austin W. Scott, Gilbert T. Stephenson, Edward Stone and O. Howard Wolfe.

Had we not found such men, The Graduate School of Banking could never have been anything more than an idea. But they were willing to serve, and their accomplishments are now a matter of statistics.

The graduates which they and the succeeding faculty have turned out, the theses which have been filed, the books which have been published by the graduates and the faculty, the promotions to areas of more responsible positions on the part of the graduates, the educational conferences and banking schools which the Graduate School men have helped to establish in various sections of the country, the relationship they have established by helping teach courses in universities—all these and other statistics readily available bear more eloquent testimony than I can write to the service which the original faculty and their succeeding fellows have rendered banking and the people whom banking serves in the country.

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TODAY, forty American Home Dioramas are being constantly circulated from bank to bank throughout the country. Designed in cooperation with the Real Estate Finance Dept. of The American Bankers' Association, this dramatic display helps to encourage tomorrow's home builders to start planning and saving—now.

The Diorama is available to any bank—free of charge—for a one-month period as a service of The American Home Magazine. It features 12 illuminated Kodachromes of home interiors and exteriors and outlines the essential steps in home planning. The unit is convenient in size (53" x 27" x 15") for use in a window or on a small table in your lobby. And it's shipped to you *complete* in one piece. Your only expense is to express the Diorama to the next bank after using it.

Write now and let us know when you would like to exhibit the Diorama. If possible, give an alternate month. Address: The American Home Magazine, Bank Educational Dept., 444 Madison Ave., New York 22, N.Y.



HEARD ALONG MAIN STREET



70 Years a Banker

ON May 7 BION H. BARNETT, 89 years old last October 25, celebrated his 70th anniversary as a banker in Jacksonville, Florida. His bank, The Barnett National Bank celebrated, too—for him and on its own account. May 7 was its 70th anniversary.

Mr. BARNETT, now chairman of the board, has spent his three score and ten banking years working for the institution which his father, W. B. BARNETT, founded. The chairman is still active—in fact, very active.

"He demonstrates more pep than some of us younger fellows," says a colleague, "and is on the job every day. He doesn't fail to come down and greet his officers at least once a day and usually walks through the various departments with a cheery word of greeting for the other employees."

Until very recently he has been playing golf—and a good game, too. He's most interested in the Red Cross and in Community Chest work, and is a generous giver to these and other worthy services.

The BARNETTS came to Florida in 1877 from Hiawatha, Kansas, where the head of the house, with two partners, had organized a bank. They migrated because the father, on a visit to Florida, had been most favorably impressed with the possibilities of that state and believed it had a great future.

Arriving in Jacksonville on St. Patrick's Day, the senior BARNETT opened The Bank of Jacksonville less than two months later. Its staff consisted of himself, BION (bookkeeper-office boy) and one clerk.

The present chairman recalls that Florida's income then came chiefly from cattle, lumber, cotton, oranges and winter visitors. Grapefruit's day hadn't arrived, nor was there much business in naval stores. The shipping of early

vegetables to northern dinner tables was still a business for the future. Lumber was dirt cheap; and you could buy the best timber land for 50 to 65 cents an acre. The orange crop, amounting to about a million boxes, was raised chiefly along the rivers because transportation was by water; the state had three railroads, all in receivership.

Jacksonville had four small banks, Tallahassee one; Pensacola one. There were no others in the state. Their combined deposits were less than \$500,000.

In 1878 BION was taken into partnership with his father. The business grew slowly and in 1880 his brother, W. D. BARNETT, became a member of the firm. Eight years later the bank got a national charter, with BION as cashier; in 1897 he was made vice-president.

In 1903 the bank's president and founder died and the son who had been with him from its beginning succeeded to the presidency. Another change came in 1908 when, at the expiration of the national charter, the bank reorganized as The Barnett National Bank.

BION H. BARNETT was elected chairman of the board on January 13, 1925.

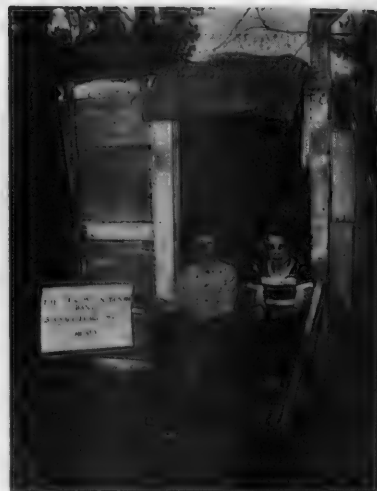
Incidentally, the bank still has a very tangible tie to May 7, 1877. Its first loan, \$500, was made that day. When the note was due it was paid in full with 50 new \$10 bills in legal tender. They were placed in a package and put in the vault as part of the legal reserve. And they've been there ever since!



Mr. Barnett



Sgt. Smith



Boosters' Club

HOUSTON has a new organization—Second National Bank Boosters Club.

The two members are JOHNNY WEINTRAUB, who's going on nine, and his pal, BERT ZUBER. JOHNNY is the son of DAVID WEINTRAUB, assistant trust officer of The Second National Bank of Houston.

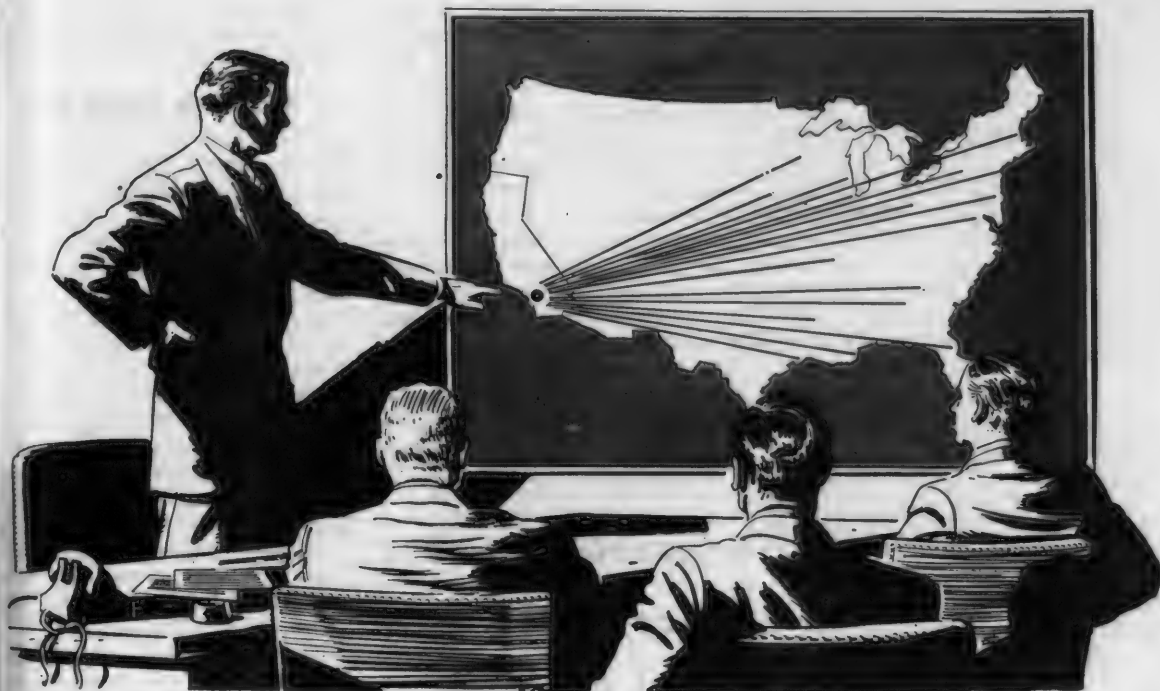
The bank's staff magazine *Teller* reports that JOHNNY did the organizing, and then admitted BERT to the rights and privileges of membership.

The problem of a GHQ was promptly disposed of, despite a building shortage. The boys constructed their own office. Address: backyard. The sign reads: "The Second National Bank Is a Safe Place for Money."

Sgt. Dorothy Smith

THE British Empire Medal, awarded for conspicuous service, has been presented by Lord Inverchapel, the British Ambassador, to Technical Sergeant DOROTHY SMITH of Boston, em-

(CONTINUED ON PAGE 112)



150,000 OUTGOING COLLECTIONS ANNUALLY...



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Chairman Board of Directors

JAMES E. SHELTON
President

CHESTER A. RUDE
*Chairman
Executive Committee*

L. W. CRAIG
Vice President

C. T. WIENKE
Vice President

Each year this bank forwards to its correspondents and other banks over 150,000 collections. Each collection is sent direct to a bank in the town or city on which the item is drawn. Each one represents a measure of profit, direct or indirect, for the receiving bank.

If a banking connection on the Pacific Coast would prove useful and helpful to your bank, we invite you to open your account with us.

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RESOURCES OVER 1½ BILLIONS • 123 OFFICES AND BRANCHES

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played as a secretary at the Federal Reserve Bank of Boston. The citation said that Sergeant SMITH, "serving as personal assistant to the Chief of Press Censorship Branch of Public Relations, Supreme Headquarters, AEF, exhibited a devotion to duty which is deserving of the highest praise.

"In all aspects of her work, many of which were diverse," it continued, "she never spared herself in giving the fullest satisfaction to her branch chief and to

war correspondents alike. Sergeant SMITH displayed outstanding judgment and understanding in dealing with queries from war correspondents on matters relating to military security. By her tact, diligence and untiring efforts she contributed greatly to the coordination and efficient operation" of the branch.

Sergeant SMITH joined the Reserve bank's staff in 1925 and was secretary to a senior officer when, in May 1943, she received leave of absence to enter Women's Army Corps.

In May 1945 Sergeant SMITH was awarded the Bronze Star. Later she served in Germany with Headquarters

Command, Group Control Council for Germany. She rejoined the bank's staff in January 1946.

Reunion in Buenos Aires

FROM G. FRED BERGER, former banker of Norristown, Pennsylvania, who is now in business in Buenos Aires, comes this note:

"On Tuesday night, April 15, I was at the Plaza Hotel looking for CHARLIE CAIN (CHARLES CAIN, JR., vice-president of the Chase National Bank, foreign department) and during the search I found HAROLD HELM and AMOS FOY of the Chemical Bank and Trust Company, New York. We visited for a few minutes and then CHARLIE joined us, after which RUDOLF HECHT (former president of the Hibernia National Bank in New Orleans) also put in an appearance, while at another table JOSEPH W. ROWE and Mr. ROBERTS (of the Irving Trust, New York) were seated.

"Just a little later RUDOLF was meeting LINN HEMINGWAY (chairman of the Mercantile-Commerce Bank and Trust Company, St. Louis). We had a most pleasant visit. What I didn't think of until the next morning was that we should have sent a night letter to HAL STONIER (executive manager of the American Bankers Association) at French Lick, Indiana, advising him that the Buenos Aires branch of the A.B.A. spring meeting was also in full session. (At that time the A.B.A. Executive Council's spring session was in progress at French Lick.)

"CHARLIE CAIN, COLE YOUNGER and LUIS ALBARRACIN were accompanying WINTHROP ALDRICH (chairman of the

When the Marshall & Ilsley Bank of Milwaukee celebrated its 100th anniversary the receptionists wore costumes of 1847. Below Miss Audrey Borhofen greets a customer



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the Great Lakes
Industrial Region

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- ✓ Co-operation in the extension of industrial loans, in providing prompt and accurate information concerning current prospects, trade trends, credit, collections or other financial services is immediately available to the banks and business firms identified with us.
- ✓ Widespread banking connections facilitate your financial transactions, locally, or throughout the world.

We welcome an opportunity to work with you in furthering your interests in this vital region. Let us hear from you.

CENTRAL NATIONAL BANK
of Cleveland

CLEVELAND 1, OHIO

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Chase), who was here and in Montevideo as president of the International Chamber of Commerce. They left for Chile on the morning of April 17. Messrs. HELM and FOY left for Montevideo on the 18th, Messrs. HECHT and HEMINGWAY left on the "Del Norte" April 19, Rudolf being scheduled to fly from Rio to Africa and then to cover most of Europe before returning to New Orleans. Messrs. ROWE and ROBERTS leave soon for Montevideo, São Paulo and Rio.

"So you can see we had quite a banking reunion down here."

Mr. HEMINGWAY represented the Association at the Inter-American Council of Commerce and Production, which met in Montevideo.

WILLA A. RILEY has been advanced from assistant cashier to assistant vice-president of the Florida National Bank, Jacksonville. Miss RILEY is national president of the Association of Bank Women.

ANNA L. HAJCZEWSKI, a teller in the First National Bank of Canajoharie, New York, was a winner of a 4-H club leadership training scholarship awarded by Danforth Foundation in cooperation with Purina Mills. Miss HAJCZEWSKI has won 25 first places in county exhibit contests in connection with her club activities. She was the club's top-ranking War Bond saleswoman, with nearly \$100,000 in sales to her credit.

RALPH N. LARSON, commander, U.S.N.R., has been elected executive vice-president of Morris Plan Company of California. For the past year he was regional Savings Bond director for all naval installations in the Pacific area. Prior to entering the Navy in 1942 he was president of the Upper Avenue National Bank, Chicago.

WILLIAM W. CROCKER, president of Crocker First National Bank of San Francisco, is a member of the American delegation to the first postwar congress of the International Chamber of Commerce, meeting at Montreux, Switzerland, during the first week of June.

BURR V. BROWER, formerly with the National City Bank of New York where he specialized in foreign trade credits, has joined the staff of Peoples First National Bank & Trust Company of Pittsburgh. He has been assigned to the customer relations division for the purpose of serving Pittsburgh companies in the foreign field.

The Bankers Athletic League of New York carries on an active program of sports for employees of banks in the metropolis. Here is the women's bowling team of the Central Hanover Bank and Trust Company which won the 1946-47 title in its league



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Crossroads
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Established 1865

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MEASURING New England



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The National Shawmut Bank

40 Water Street, Boston

Member Federal Deposit Insurance Corporation

CAPITAL \$10,000,000 SURPLUS \$20,000,000



Mr. Marcks



Mr. Long

ALFRED R. MARCKS has been appointed vice-president of the Dime Savings Bank, Brooklyn, New York, and will have general supervision of the mortgage and appraisal department.

LOUIS R. KIERNAN, president, and GEORGE W. SHEPHERD, vice-president, of the Chelsea (Massachusetts) Trust Company, which recently merged with the National Shawmut Bank of Boston, have been elected vice-presidents of the latter bank.

ADDISON H. REESE, formerly vice-president and cashier of the Nicodemus National Bank of Hagerstown, Maryland, has been made president of the County Trust Company of Maryland, which operates branches throughout the southern and Eastern Shore sections of the state, with executive offices in Baltimore.

ALBERT L. LONG, formerly a vice-president of the National Bank of Commerce, Memphis, has been elected a vice-president of the Republic National Bank of Dallas. He is a specialist in cotton and commodity lending.

Elections

B. L. NESMITH, W. B. LELLON, vice-presidents, J. A. HUFMAN, G. W. BOWERS, cashiers, Waccamaw Bank and Trust Company, Whiteville, North Carolina.

ROBERT COLTMAN, vice-president, Provident Trust Company, Philadelphia.

WILEY REYNOLDS, JR., vice-president, JAMES J. HENDERSON, cashier, First National Bank in Palm Beach.

EARLE O. LATHAM, vice-president in charge of bank examinations, Federal Reserve Bank of Boston.

GEORGE R. CLARK, vice-president, Corn Exchange National Bank and Trust Company, Philadelphia.

ROBERT B. PEGRAM, JR., vice-president, The Bank of Georgia, Atlanta.

HARRY I. SPENCER, vice-president and trustee, Worcester County Institution for Savings, Worcester, Massachusetts.



Mr. Sullivan



Mr. Carpenter

EDWARD L. CARPENTER, vice-president, Central National Bank of Cleveland.

C. B. SULLIVAN, vice-president, Republic National Bank of Dallas.

WILLIAM MALONE, president, First Bank and Trust Company, Pensacola, Florida.

HARRY S. BAYER, vice-president, Irving Trust Company, New York.

MICHAEL DONNELLY, manager, advertising and publicity, California Bank, Los Angeles.

Mr. Bayer



Mr. Donnelly



PICTURE OF PROGRESS

Picture of a bank's growth, paralleling that of its community! Deposits are now in excess of \$160,000,000 as compared with about \$150,000 when the picture below was taken and we were three years old. . . . Population-wise Oklahoma City has grown from less than 10,000 to more than 267,000 during this brief span of years. Today this city and this state presents an alluring "picture" to business. If we can be of help to you or your customers, we shall be glad to have such an opportunity.

THE FIRST NATIONAL BANK AND TRUST COMPANY OF OKLAHOMA CITY
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

A MODERN MIRACLE

in Yields per Man-Hour



From standing crop to bales safely stowed in the barn, this modern method of putting up hay takes only 2.5 man-hours per ton. Traditional handling as loose hay with hayloader, pitchfork and slings would take 3.4 man-hours. Tonnage per man-hour is boosted 36 percent, yet this is only the minor gain from the Case system of haymaking.

Less exposure to sun saves more of carotene, the critical pro-vitamin A. Less exposure to dew and less risk of rain guard the precious protein,

soluble carbohydrates and minerals from leaching. Loss of leaves by shattering, from over-curing and repeated handling, is minimized.

Bright green in color, tempting in aroma, such hay earns the name "Packaged Pasture." In extra protein alone it often carries a per-acre premium equal to several bags of bran. In flow of milk and growth of young animals it multiplies still further the yield from man-hours in the meadow.

Designed and priced for profitable ownership by individual farmers, the

Case Sliced-Hay baler is so simple that boys can operate it. Like all Case machines it is built for ENDURANCE, the quality that invites preference for conservative financing.

Case farm machines and tractors are generally bought by the sort of farmers who make desirable bank customers. Case believes that the financing of farm equipment purchases is business that belongs to the local bank. Case encourages farmers and dealers to place their financing with you. J. I. Case Co., Racine, Wis.

CASE



Partners in Providing



**HIGH-PRODUCING
FARM MACHINERY**

How the A.I.B. Began

(CONTINUED FROM PAGE 38)

really had a most important engagement that he should not break, it almost seemed unfair to ask him, but the situation was far more crucial than can be realized now because the success of the convention was really in doubt due to the many difficulties that existed between the various delegates who had never met before to discuss the situation. In view of the importance of the engagement Mr. Finley had to break, it was really wonderful of him

to do so, and it served to show his very great interest in the Institute and followed in line with his other work for the bank men as president of the association. There is no question but that it saved what might have been a very serious development and gave the convention the backing which it had to have in order to meet successfully the problems which had arisen. I will always feel grateful to Mr. Finley for his willingness to make the trip to Cleveland under the circumstances."

Soon after Fred Kent became president of Chicago Chapter a local labor leader paid him a visit and suggested

that the union "take in" the entire membership.

"I don't think you want to do that," said Mr. Kent. "Our purpose and yours are quite different. You keep men on the same level. We separate them, according to their ability. Some rise, others don't. But we try to give every one a chance to develop himself to the limit. They couldn't do that in your union."

The labor leader nodded.

"Kent," he exclaimed, "you're right! We can't do anything for you. We have nothing in common."

In view of Fred Kent's long and active participation in big affairs, his experience as an advisor to governments and statesmen, his worldwide contacts with events and personages, BANKING wondered what value he placed on his A.I.B. background.

The answer came without hesitation.

"The Institute," he said, "taught me to speak in public. Until I became president of Chicago Chapter I'd never faced an audience. But as president I had to do a lot of talking, and soon it became less difficult.

"I also value highly the training I got as an A.I.B. officer. I learned how to organize, how to bring men together, how to develop qualities of leadership in men, how to get along with them.

"I learned a lot about people—and about Fred Kent. The Institute was my big opportunity for self-development."

He made the most of it. And tens of thousands of others have done likewise in the half century since Joseph Chapman, Jr., made that big little speech to the bank boys in Minneapolis.

MEMO

To: All Bankers

From: American Security

Get in touch with us if:

1. You wish to contact key government departments without delay or red tape.

2. You need a Washington correspondent with more than routine facilities.



Daniel W. Bell, President

American Security & TRUST COMPANY

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Federal Reserve System

WASHINGTON, D. C.

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and Guests:

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COMMONWEALTH BANK!

Your friends and fellow A. I. B. members
invite you to visit us at Convention-time, and
every time you are in Detroit.

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335 banking institutions—in all parts of the country
 —have been Central Hanover correspondents
 continuously for 50 years or more.



CENTRAL HANOVER

BANK AND TRUST COMPANY

NEW YORK

Member Federal Deposit Insurance Corporation

237



anks

since V-E day alone!

Since the end of the war in Europe, 237 banks have selected us to design their new quarters. That's almost *one every three days* . . . in thirty-five states coast to coast, *as many as twelve in a single city!* And if we added our pre-V-E day jobs, this map would resemble a leopard hide . . . for we've averaged the completion of a contract every ten days for the past thirty-four years. Our current work reflects not only our ability, but our **CAPACITY**. Our facilities, personnel and plants have been keyed to the post-war demands of the nation's banks. When two hundred bankers toured our newly modernized workshop, during a recent convention in St. Louis, many were amazed at the immensity of our organization. One bank president, we think, summed up the general impression rather aptly: "This is truly the *headquarters* of bank design and construction in America!"

We invite you to visit us in Saint Louis. See America's largest organization of bank specialists at work. Our own new quarters are a virtual show window of the latest bank architectural trends and treatments.



America's most experienced bank designers

The Story of the Convention

(CONTINUED FROM PAGE 30)

Convention Debate

The feature of the evening was the inter-city debate, and the large Hollenden convention hall was crowded when R. M. Richter, president of the St. Louis Chapter and a member of the Debate Committee, called the meeting to order. He introduced C. W. Dupuis, of Cincinnati, chairman of the Debate Committee, who acted as presiding officer. D. C. Wills of Pittsburgh was the official judge of time.

The judges of the debate were H. Clark Ford, president of the Garfield Savings Bank Co., of Cleveland; Prof. Edwin F. Moulton, superintendent of public schools, of Cleveland, and Thomas B. Paton, editor of the *Banking Law Journal*, New York.

The question for debate was: "Resolved, that the collection of country checks at par is contrary to general business principles." The speakers for the affirmative were John Gillett, Detroit Savings Bank; F. B. Gilmore, Central National Bank, Washington, D. C.; and A. H. Jones, Corn Exchange National Bank, Philadelphia, Pa. For the negative were Harry Evers, Manufacturers and Traders National Bank, Buffalo, N. Y.; A. V. Gardiner, Northwestern National Bank, Minneapolis; and J. L. Guild, Union Trust Co., Providence, R. I. . . .

As our readers will want to read and judge the merits of this debate for themselves we will not comment upon it further here except to say that it held the interest of the audience from first to last, that it was a lively tussle, and that the judges decided the negative won. There was the best of good feeling throughout, and no soreheads after the decision was rendered. When it was rendered the meeting adjourned with alacrity and took the special cars for the University Club, where the members of the Cleveland Chapter had provided an entertainment in the shape of a smoker and buffet lunch.

[The next morning the convention, among other things, considered the report of its Committee on Federation, which had studied a proposal "for the establishment of a confederation of chapters." This was vigorously debated, opposition being "so strong on the floor that it was difficult to prevent a number of the delegates giving their views on the subject." The convention's decision was to leave the matter in the hands of the committee for discussion and ultimate action by the Institute's trustees. The plan was eventually dropped.]

[Also on Saturday morning the delegates elected officers, choosing Mr. Kent as the permanent chairman, J. W. McDermott of San Francisco, vice-president from the Far West; R. M. Richter of St. Louis, vice-president from the Central States; and after a "quite exciting contest," S. Ludlow, Jr., of New York, vice-president from the East. Following the election President Finley spoke, and then the delegates proceeded to select St. Louis as the 1904 convention city.]

The convention then adjourned, to meet at 1:30 in front of the hotel for the tallyho ride.

Tallyho!

Nine tallyhos drew up in front of the Hollenden at 1:30 Saturday afternoon and each one was crowded to its utmost capacity. A bugler, who knew how to "bugul," was in the first tallyho and, when the procession started, it was indeed

a procession. Up the long length of beautiful Euclid Avenue, past the magnificent residences of men whose names are known all over the country, past the church that John D. Rockefeller attends when in Cleveland, out to beautiful Euclid Heights, past the residence of Col. Myron C. Herrick, Republican nominee for governor of Ohio, and then through Cleveland's magnificent park system, went the tallyhos.

The objective point, the Euclid Country Club, was finally reached. This club is a magnificent building, and the Institute men roamed over it, making themselves very much at home, as they were instructed to do, singing in the music room, etc. After leaving the club the party boarded the tallyhos again and returned to the hotel, having spent an afternoon that each one will remember the longest day he lives.

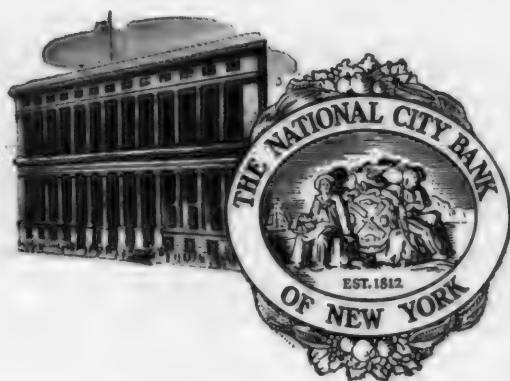
The Banquet

There was just time to dress when the banquet hour arrived. The big convention hall had been turned into a banquet room, with tables that would seat over 300 guests, and every seat was occupied. The bill of fare was a beautiful souvenir, its covers in the shape of a check. The monogram, "A.I.B.C.," was in purple, silver and gold. The words "American Institute of Bank Clerks" and the rest of the lettering were handsomely engraved, and altogether the menu was a costly and very tasteful affair.

[There were many toasts and after dinner speeches. Then Chairman Kent adjourned the convention sine die.]

BANKING couldn't find one of the menus to photograph, but here is the menu for the "wee banquet" (see page 29) which Providence Chapter gave, prior to the convention's opening, in honor of Cleveland Chapter and Guests





135 years of service at home ... 50 years of activity overseas

This year, The National City Bank of New York celebrates two anniversaries of special significance to its many correspondent banks in this country and abroad.

It was in June, 1812, that the City Bank first opened its doors in New York and in July, 1897, that the Foreign Department was established.

Today, in addition to well established correspondent relationships with important banks throughout the world, National City Bank offers quick access to world markets through 46 active overseas branches of its own—more overseas branches than those of all other American banks together.

National City's officers are always available and ready to discuss specialized facilities and how they may best aid you in profitably developing customer relationships. Consult or write these officers at Head Office concerning problems relative to bond portfolios, efficient and prompt handling of collections, foreign department facilities and credit requirements, domestic or foreign.

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Write for color-illustrated booklet describing "Overseas Banking Service"

First in World Wide Banking

Member Federal Deposit Insurance Corporation

State, Regional School Projects

(CONTINUED FROM PAGE 53)

ences have continued to be held one week annually at the Tarheel school. Acting with the two associations and the university in the operation of the conference are the North Carolina State Banking Department and the chief bank examiner of South Carolina.

The bankers of the Carolinas proudly claim that their school was "the first fully developed program of this type."

A glance at the tentative program for this year indicates that Carolina bankers, during the second week in July, will be studying internal bank operations, investments, mortgage financing, public relations, consumer credit, farm credit and public speaking—a full week's program at any school. Approximately 200 bankers are expected to attend.

In planning the revival of its short course at the University of Florida, the Florida Bankers Association took a poll of the state's bankers to determine what they wanted in the way of instruction. At the top of the list was service charges, followed by loan procedure, collections, bank costs, installment credit, public relations and a few others. Service charges and bank costs will be emphasized at this year's four-day session (June 9-12), the first since 1941. Bank officers, directors and employees are eligible to attend. About 150 students are expected.

ONE type of state association program is known as a "conference." Although as carefully planned and organized as the more elaborate schools, conferences operate for a shorter period of time, even as little as one day, and consist, usually, of a series of lectures.

In Texas, for example, the state association and the University of Texas, Austin, have been holding annual conferences of four days' duration. The subject matter of the lectures ranges over a wide field—management of the public debt, commodity price trends, current social trends, employee relations, appliance loans and insurance premium notes, investment programs, municipal bonds, etc.

The Missouri Bankers Association also holds an annual conference, in cooperation with the Missouri Department of Finance and the University of Missouri. States of the Pacific Northwest, in addition to the school already described, hold an annual conference at Pullman, in cooperation with the School of Business Administration of Washington State College. Principal topics at the three day session last April were business conditions in the area, agriculture, country bank operations and government-bank relationships.



"Why, Horace, you told me it didn't!"

The eighth annual Minnesota Bankers' Conference was held for three days last February at the University of Minnesota, with seminars on taxation and interest rates and lectures on farm real estate, farm equipment financing, public relations and consumer credit. A one-day conference is conducted by the Wisconsin Bankers Association at the state university. In 1946 it was attended by approximately 500 banker-students. The Virginia association will go to the state university campus in September for a week of study. About 200 students are expected.

For several years the Kansas Bankers Association has conducted the Kansas Bankers Clinic, with the co-sponsorship of the Kansas State Banking Department and the University of Kansas. At the three-day session in 1946 a wide variety of topics was covered in lectures by bankers, businessmen and representatives of the university. The first annual clinic of the Nebraska Bankers Association will be held next month at Doane College, Crete. The experience in Kansas will guide the new venture, which has been discussed over a period of time by its Nebraska organizers and Fred Bowman, secretary of the Kansas Bankers Association.

THE most frequently encountered specialized school is that dealing with agricultural and country bank subjects, a good example of which is the Bankers School of Agriculture, sponsored by the New York State Bankers Association in cooperation with the New York State College of Agriculture. This school, according to Van B. Hart, its associate director and Professor of Farm Management, New York State College of Agriculture, was "an outgrowth of a series of annual two-day farm credit schools" sponsored jointly by the NYSBA and the college of agriculture. He explains that "attendance and interest in these farm credit schools had developed to a point where upwards of 300 bankers were attending annually. It was apparent, however, that, although the bankers were keenly interested in problems of farm credit, many of them wanted also, and needed, basic information on crop and livestock enterprises."

The 1946 session of the school had a student body of 53 bank officers, employees and state and federal supervisory personnel. The 1947 session will be held next August, again at Cornell, for about one week. Freshmen will be given the same course as last year, while sophomores will study agronomy (continuation of the freshman course), marketing, land appraisal and labor efficiency. The latter course will deal with farm labor problems and the place of labor saving machinery on the farm.

UNDER an agreement between the College of Agriculture and the state association, the school's administration committee consists of three bankers appointed by the association president and two members of the college staff appointed by the dean. Bankers on the committee are W. Randolph Burgess, vice-chairman of the board, National City Bank of New York, and former president, American Bankers Association; Otis A. Thompson, president, National Bank and Trust Company, Norwich, N. Y., and former chairman, A.B.A. Agricultural Commission; and Charles H. Norton, president, Erie County Trust Company, East Aurora, N. Y.

The Connecticut Bankers Association and the University of Connecticut sponsor a farm credit school, the third annual session of which is being held this month. The first day of the two-day course will be devoted to such subjects as the national and New England agricultural outlook, how farm-

(CONTINUED ON PAGE 124)



Significant Convention for Detroit

Detroit has been awarded the 1947 national convention of the American Institute of Banking, which will be held in June.

The A.I.B. is the largest adult educational group in America, with more than 76,000 members and 39,000 enrolled in its classes. It is the educational section of the American Bankers Association of which 14,750 of the nation's banks are members.

Many committees from the Detroit chapter are hard at work, with the determination to make this convention the most outstanding one in the history of the organization. In this, they have the full support of the city's banks and trust companies.

* * *

Every State Represented

More than 1500 delegates from almost every state in the Union will attend. From their ranks will come many of the future financial and business leaders of America and the world. No effort will be spared to provide them with convincing evidence of the importance of Detroit to the economic, social and cultural life of the nation.

Detroit Chapter

There are 2000 members in the Detroit chapter of the A.I.B. and 500 school enrollees at the present time. Local officers this year are: Keith G. Cone, president; John Wilt, first vice president; Kenneth S. Patton, second vice president; Victor Fowles, secretary; Floyd Fuller, treasurer, and William C. Shannon, chief consul.

The Detroit chapter was organized in 1902 with our good friend Henry H. Sanger the first president.

Generally the classes call for two years, two nights each week. When the examinations are passed, a pre-standard certificate is awarded. Two more years, two nights each week, are necessary to obtain a standard certificate. Two more years' work brings the coveted graduate certificate.

* * *

University Courses

Classes are conducted in cooperation with Wayne University. Dean Don S. Miller and Dr. Preston H. Scott, Wayne faculty members, have contributed heavily to the success of the program. Full college credits are allowed when certain prerequisites are met.

Following graduation, men's forums and important seminars are conducted. This year Dr. Norman Maier, University of Michigan, is conducting a seminar on "Human Relations in Supervision," with 370 registered for the eight session course.

There is also a post graduate course in advanced banking three weeks each year plus correspondence work for three years at Rutgers University.

* * *

Banks Pay Tuition

Tuition fees are refunded by the banks to all students successfully

completing their courses. It is a tribute to the students that few fail to get their money back. The Rutgers courses are also paid for by the banks.

* * *

Leadership Stressed

All of the activities of the A.I.B. are not devoted to classes, textbooks and technical work. Leadership is an essential part of the training, and so is fellowship and understanding people and the general financial problems which nearly all of us face at one time or another.

There are few worthy city, state or national campaigns in which bankers are not to be found taking an active part and the A.I.B. classes prepare men and women for this essential work.

* * *

Women's Division

The Women's Division of Detroit chapter is the only unit of its kind in the national organization. This unit elects its own chairman and officers, works out its own program. Kathleen Rengers is the present chairman.

Education is being emphasized throughout the world today as never before and many notable advancements have been made in method and equipment. The A.I.B. has more than kept pace and the Detroit chapter has maintained the highest degree of enthusiasm throughout the years.

KENNETH S. PATTON,
Second Vice President
Detroit Chapter A.I.B.

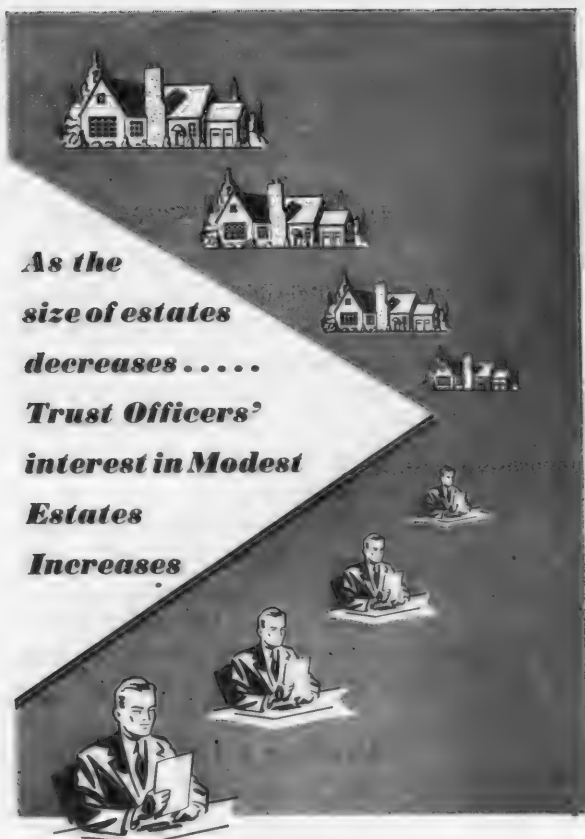
NATIONAL BANK OF DETROIT

Complete Banking
and
Trust Service

THIRTY BANKING OFFICES

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[This advertisement—Vol. 3, No. 43—of our regular weekly column appeared in The Detroit News, The Detroit Times, The Detroit Free Press, The Labor News, The C.I.O. News and other Detroit publications]



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Banks and trust companies are becoming increasingly interested in serving as executor of modest estates. Purse has developed an outstanding advertising program that will appeal to those whose estates are not large. This packaged program contains booklets, folders, statement enclosures, newspaper advertisements, letters, staff mailings, and other attractive pieces.

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HEADQUARTERS
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(CONTINUED FROM PAGE 122)

ers regard the business of banking, what's ahead in farm machinery, discounts available to farmers who pay cash. Second day subjects will include farm property appraisal and there will be a farmer-banker loan interview and various loan presentations. And, speaking of Connecticut, there will also be a short trust course at the state university early this month.

Last year Iowa had its first farm credit school at Iowa State College, and the 16 bankers who completed the three-weeks' course received college credit. This year the course will run for two weeks, divided half in June and half in July, and will include frequent field trips. Principal subjects for study will be appraisals, soil management and livestock problems. Pennsylvania and Tennessee offer bankers opportunities for study of banker-farmer subjects, and Oregon held a one-day conference last month at the state college.

The Mortgage Bankers Association of America, in cooperation with the Graduate School of Business Administration of New York University, inaugurated a senior executives' educational course at N. Y. U. last January for three days. Registration was limited in number and restricted to principal executives of mortgage lending institutions. The course was supervised by G. Rowland Collins, dean of the school.

Various kinds of schools in several states were discontinued during the war. Definite plans are in process for reviving a number of them, although in some states this revival has had to be postponed indefinitely because of the crowded condition of nearly all colleges and universities at the present time. However, even though some previously active schools are still temporarily suspended, there is scarcely a section of the country where a banker school is not readily available—and crowded.

Backstage in the Graduate School

(CONTINUED FROM PAGE 45)

student before 7 A.M.—the delivery boy's noise serves as an alarm clock for late sleeping students.

The school's own daily paper, *The Morning Milk*, must be printed and on the breakfast table—the dining room closes at 8 A.M.

A lost and found department must be functioning. Many men mislay hats, coats, books and pens.

A photographer must be on hand for group and individual shots. Men like pictures, too.

Athletic (spare hour) activities have to be planned and facilities set for swimming, softball, tennis, horseshoes, croquet and tatting.

Entertainment (spare minutes) must also be planned so that mealtimes, class day, stunt night, hymn sing, chorus rehearsals and such will move smoothly.

Books have to be on sale and so do pins, charms, rings, pennants, candy bars, peanuts and soft drinks.

Classes have to be organized and elections have to be supervised—not to keep them honest, just to keep them brief.

Finally, commencement must be planned—white suits, roses, pictures, organ (imported), invitations, programs, guests (with children), checking, washrooms, hall decorations, parade, ceremony, diplomas and (maybe) rain.

And so it goes on and on backstage, but the registrar doesn't worry overmuch except about one thing, and that is the enthusiasm of his associates and assistants which often leads to overwork on their part.



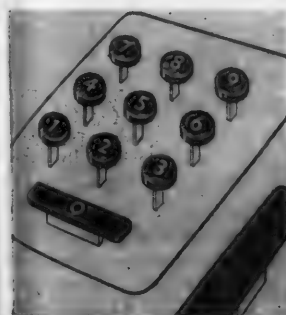
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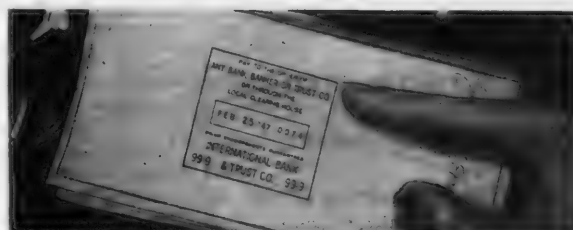
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● *Provides 24 Separate Listings.* Each deposit is proved separately. The control tape maintains a complete record of all items in the sequence they are received from depositors.



● *Ten Adding Keys Speed Operation.* Checks are listed simultaneously on any one of the 24 individual adding machines, operated by a ten-key touch system keyboard.



● *Saves Check-Endorsing Time.* Automatically, the IBM Proof Machine endorses outgoing checks, or prints identifications on incoming checks. One more IBM time-saving feature.

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Manual of Stock Transfer Requirements by Berlin and White comes as close to being indispensable as it is possible for any book to be, in surveying the legal requirements for transfers of stock by individuals, corporations, and fiduciaries.

Complete in every detail in its 118 pages, it was written by two attorneys who had been advising leading corporations and transfer agents on stock transfer requirements for many years.

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"... it is the best piece of instructive matter relating to stock transfers that I have ever had the opportunity to digest." President of a trust company in Pennsylvania.

"A concise, easily understood, time-saving manual in reference form..." Barron's.

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The \$2.50 price of the book (add 2% if delivered in New York City) will be repaid many times over in the time you'll save by having this reference handy.

Order today, before you forget!

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8 E. 13th Street,

New York 3, N. Y.

A View of the A.I.B. Office

(CONTINUED FROM PAGE 41)

determining policies and procedures for the national organization. For us this means correspondence, visits and checking with the hotels on physical arrangements, room reservations and meals, and with the host chapters on entertainment arrangements. The national officers hold several meetings each year. It is our job to make the arrangements for these meetings and to handle all the details connected with them.

Regional Chapter Leaders Conferences. Twelve or 13 conferences (average attendance over 100) of chapter leaders are held each year during the months of July and August. Our job is to assist the executive councilmen in arranging the schedule of these meetings and then to supply the councilmen and the host chapter committee chairmen with a manual of procedure and other material for their guidance in arranging the meetings and the programs. It is also the job of staff officers to speak at several of these conferences each year.

Regional Interchapter Faculty Conferences. Two or three conferences averaging more than 100 in attendance are held each year. The work involves making arrangements with the hotels and host chapters, arranging the speaking program, preparing printed programs, check lists and registration lists, working with the local committee on details, and helping promote attendance at these meetings.

Conventions. The convention is a major undertaking both for the national organization and the host chapter.

To facilitate the successful planning of a convention, the national office has prepared a 72-page convention manual, which spells out the duties of the local committees. It is our job to see that this manual is revised each year in the light of experience.

THE national secretary usually makes three trips to the convention city. On the first trip he meets with the general chairman and helps him get started, selects the headquarters hotel and makes a contract with it covering meeting rooms, office space, and other matters, selects the location for business sessions and makes a contract, and completes arrangements with other hotels to be used for convention purposes.

On the second trip he checks progress with each local committee chairman, (CONTINUED ON PAGE 128)

UNHAPPY LANDINGS . . .

can throw you for a big loan loss!



Accidents to the public *do* happen . . . and when they involve a borrower's premises or products, the resulting lawsuits can wipe out his business—and perhaps *your* loan!

For instance—a visitor in your borrower's plant trips over a hand truck negligently parked in the aisle, fractures skull, sues for and gets \$25,000. *How about your loan?*



—Worn cable strands snap, elevator drops 25 feet. All seven passengers sue your borrower. They collect a total of \$100,000. *How about your loan?*



—Faulty container of one of your borrower's products explodes in a consumer's face, badly disfiguring her. She sues for plenty. *How about your loan?*

USE THIS INSURANCE ✓ CHECK LIST (ON BORROWER'S SOLVENCY)

Is his business adequately covered against loss by—

- ✓ Fire and Extended Coverage (bldgs. & stock)
- ✓ Business Interruption Insurance
- ✓ Blanket Liability Insurance
- ✓ Blanket Fidelity and Forgery
- ✓ Burglary & Holdup Insurance
- ✓ Transportation & Marine Insurance
- ✓ Automobile Liability Insurance

Insurance Company of North America, founded 1792, oldest American stock fire and marine insurance company, heads the North America Companies which meet the public demand for practically all types of Fire, Marine, Automobile, Casualty and Accident insurance. Sold only through your own Agent or Broker.

Loan losses can come from the strangest sources!

Fortunately, Blanket Liability Insurance (Premises, Products, etc.) offers a "protection package" for accidents to the public, for which the courts may hold your borrowers liable.

Are your clients now protected against these and the other hazards suggested by the Check List at left? If not, advise them to see an Indemnity Insurance Company of North America Agent.



INSURANCE COMPANY OF
NORTH AMERICA
COMPANIES, Philadelphia

Insurance Company of North America • Indemnity Insurance Company of North America • Philadelphia Fire and Marine Insurance Company • The Alliance Insurance Company of Philadelphia



Saves time and speeds up counting of pennies, nickels, dimes, quarters and halves. Just push tubular wrapper up inside of Bakelite stem, holding bottom closed with finger. Count coins into hopper. Pull wrapper from bottom and crimp ends. In five sizes.

SET OF 5 SIZES



WRITE TODAY—DEPT. N

The C. L. DOWNEY Company
HANNIBAL, MISSOURI
World's Largest Mfrs. of Coin Wrappers

I OFFER COMPLETE NUMISMATIC SERVICE

**OLD COINS
RARE COINS
GOLD COINS**

Bought—Sold—Appraised

**UNITED STATES, FOREIGN, AND
ANCIENT COINS PURCHASED**

I will buy any quantity of this material, from coins worth a small premium over face or their intrinsic value to the greatest rarities. Gold coins of Numismatic value especially desired. No coin or collection too small to receive prompt, courteous consideration; no collection too large to be purchased for cash.

Expert Appraisal Service

No charge for office appraisals.

For Sale One of the world's largest and most complete stocks of Coins, Tokens, Medals, and Paper Money to select from. Many items from famous collections in this country as well as Europe. *Correspondence invited.*

JAMES KELLY

Third & Broadway, DAYTON, OHIO

Reference:

Winters National Bank, Dayton, Ohio

(CONTINUED FROM PAGE 126)

completes arrangements for stenographers, messengers, a printer, a photographer and a convention story writer, and checks various arrangements with the headquarters and other hotels covering accommodations for the official family, menus, seating arrangements and public address systems.

On the third trip, one week prior to the convention, he makes sure that all arrangements are well in hand.

Each of these trips involves the preparation of numerous check lists, assembly of file correspondence and other material, and recording of results.

Correspondence on convention arrangements usually starts 10 months before convention time and increases in volume as the months roll by. Most of the correspondence is with the local convention committee, the convention city hotels, chapter and study group officers, national officers, executive councilmen, and associate councilmen, departmental and Institute conference leaders and speakers, and debate and public speaking contestants.

BEFORE the convention starts, many things must be done, such as arranging transportation for staff members, preparing numerous check lists, calendars and work schedules, preparing material for printing or mimeographing, such as convention programs, coupon books and ballots; assembling correspondence, signs, supplies and other items needed for the convention, and packing and shipping trunks.

After arriving at the convention city, each staff member carries out preassigned duties having to do with council or convention arrangements.

This, then, is the story of the operations in the national office.

An expert who knows



ASSOCIATED NEWSPAPERS

THE AMERICAN APPRAISAL COMPANY



**Valuations
Property Records
Depreciation
Studies**
*Over Fifty Years
of Service*

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Select International Bronze signs and tablets for your bank. Wide choice of standard and custom designs. Estimates and special sketches cheerfully submitted. Superb workmanship, modest prices, satisfaction guaranteed. Write for free illustrated catalogue B. SHOWS HONOR ROLLS, AWARDS and other bank needs.

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AMERICAN TRUST CO.

**CONTINENTAL ILLINOIS
NATIONAL BANK AND TRUST COMPANY
OF CHICAGO**

**COMMERCIAL BANKING
CORPORATE AND PERSONAL TRUST SERVICES
FOREIGN BANKING FACILITIES
U. S. GOVERNMENT AND MUNICIPAL SECURITIES
SAVINGS DEPARTMENT**

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Asset Value of A.I.B. Training

(CONTINUED FROM PAGE 51)

A refund of 75 percent of the tuition and textbooks is made by the Boatmen's National Bank of St. Louis to students satisfactorily completing courses and still in employ of the bank. To students ranking in the upper one-third of their classes the bank refunds 100 percent.

SIXTY-FIVE percent of the banks included in this study reported that when students receive prestandard, standard or graduate certificates official notice is

taken of these awards, other than that taken by the chapter as a whole at annual banquets. This recognition most often takes the form of salary increases, bonuses, personal congratulations by the president or directors of the banks, congratulatory letters from ranking officers, mention in staff meetings—house organs—bulletin boards, dinners in honor of certificate winners attended by bank officers, etc.

The answer to the question, "Does the

A.I.B. have any customer relations value to your bank?" has already been given in the affirmative by several of the foregoing quotations. Seventy-one percent of the banks were in accord on this question. Only 10 percent felt that the Institute has no public relations value; while another 10 percent thought it had only slight public relations value. Nine percent held no opinion on the question.

One of the most frequently mentioned ways in which the Institute helps build public relations for banks was employee ability to interpret bank services more intelligently to customers.

The Continental Illinois National Bank and Trust Company of Chicago expressed its views on how the A.I.B. keeps students public-relations-wise in these words:

"By developing an appreciation of the importance of banking on the part of bank personnel through formal classes, forums, visitations, and extra-curricular activities related to bank customers."

"Employees of the bank who represent the A.I.B. are often called upon to appear before educational and civic groups and in this manner the name of the bank is brought before the public," said The First National Bank of Portland, Oregon. "We believe that it does have customer relations value in this respect."

EMPLOYEES attending classes learn to know more about banking and banking services and can talk more intelligently on banking subjects and services," said the Northwestern National Bank of Minneapolis.

"An A.I.B. trained employee," reports the First Wisconsin National Bank, Milwaukee, "is naturally better equipped to sell banking."

"The knowledge gained enables him to discuss banking in general with his friends and acquaintances and explain many things which the public does not always understand," said the First National Bank of Memphis.

"When the training our employees receive through the A.I.B. has been brought to the attention of a customer," writes the Worthen Bank and Trust Company, of Little Rock, Arkansas, "we always find a very favorable reaction."

Apropos of this last comment, during Institute membership campaigns, the Jacksonville, Florida, banks devote their entire advertising space for a week to A.I.B. activities. This results in much favorable comment from customers.

(CONTINUED ON PAGE 132)

ANGLO IS CENTRAL TO THE WEST COAST

Banks seeking a Western correspondent service will find that Anglo Bank's *central* location on the West Coast, plus 74 years of experience as a bankers' bank, offers them a valuable asset. San Francisco, the financial center of the West Coast, is Anglo's headquarters for 23 offices located in 13 important California cities.

HEAD OFFICE:
1 SANSOME STREET

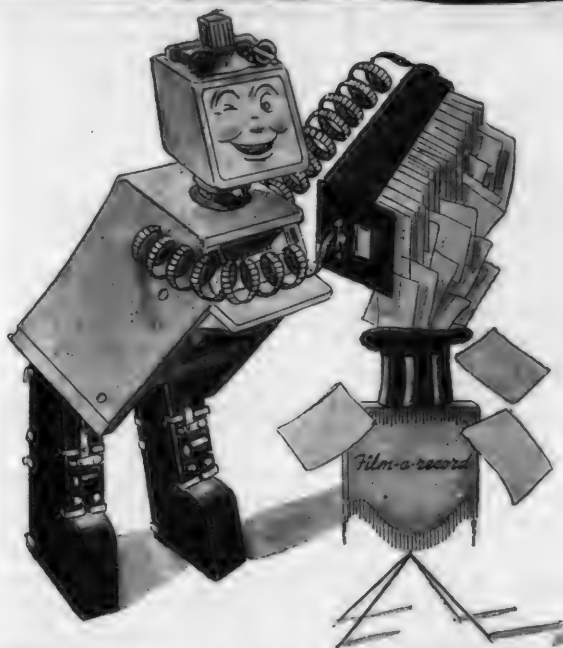


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CALIFORNIA

Growing and Building with the West since 1873

Member Federal Reserve System • Member Federal Deposit Insurance Corporation

There's A Method In This Magic



Have Your Valuable Records "FILMED-FOR-FINDING"

The new Remington Rand Microfilming Service, Filing-on-Film with Micro-Matic Controls, is specially designed to index and File-on-Film your permanent, valuable records . . . such as those in the Trust Department. It provides the machine, the film, and the professional personnel.

Filing-on-Film with Micro-Matic Controls assures these five important points:

a. *Full and accurate film indexing*

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We will put all your semi-active or inactive records within arm's reach of your secretary and, with a finding time of less than one minute for any one of them. The new Film-a-record Reader makes these micro-records clear and sharp—easy to read.

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315 Fourth Ave. New York 10

Name _____ Title _____

Company _____

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If you are not microfilming, investigate it. If you are microfilming, compare it. To do either simply send us this coupon. Act today!

THE BALTIMORE AND OHIO RAILROAD COMPANY

SUMMARY OF ANNUAL REPORT 1946

TO ALL SECURITY HOLDERS:

IN 1946 the operating revenues of the Company were \$304,984,716, or \$56,388,502 less than in 1945. Operating expenses were \$275,212,290, or \$21,449,257 less than in 1945; however, included in the 1945 figures was \$18,571,715 representing balance of cost of war emergency facilities unamortized when the emergency period was terminated by Presidential Proclamation, September 29, 1945, which distorts the comparison. Taxes in 1946 show a net credit of \$338,529, a decrease of \$20,412,784. This is due entirely to a tax carry-back credit of \$20,148,000 claimed by the Company under the provisions of the law which permits the carrying back of the 1946 operating loss and recomputation of income and excess profits taxes of prior years. The revenues, expenses and net earnings for 1946 were:

| | Year 1946 | Compared with 1945 |
|---|---------------|-----------------------|
| REVENUES: | | |
| From transportation of freight, passengers, mail, express, etc. | \$304,984,716 | D \$56,388,502 |
| From other sources—interest, dividends, rents, etc. | 6,393,098 | D 397,790 |
| Total | \$311,377,814 | D \$56,786,292 |
| EXPENSES: | | |
| Payrolls, fuel, material, etc. | \$275,212,290 | D \$21,449,257 |
| Taxes | 338,529 | D 20,412,784 |
| Equipment and Joint Facility Rents | 4,599,152 | D 3,385,823 |
| | \$279,472,913 | D \$45,247,864 |
| All other—interest on debt, rents, etc. | 27,343,972 | D 197,956 |
| Total | \$306,816,885 | D \$45,445,820 |
| Net Earnings | \$ 4,560,929 | D \$11,340,472 |

As a result of legislation, known as the "Crosser Bill," enacted by the 79th Congress, payroll taxes are considerably increased, effective January 1, 1947, and it is estimated that this increase will add to the Company's costs more than \$4,000,000 annually.

The increase in costs of the Company by reason of higher wages, added payroll taxes and higher advanced prices of fuel and material, compared with January 1, 1946, is estimated at \$44,000,000 annually. To partially offset the additional costs, the railroads in April, 1946, made application to the Interstate Commerce Commission for an increase in freight rates averaging about 19%, to be effective on short notice and in advance of hearing and final disposition of the petition. This was not granted, but permission was given to restore, effective July 1, 1946, the emergency freight rates and other charges authorized March 2, 1942, which had been under suspension since July 1, 1944, with certain modest additions.

This interim increase approximated only 7%. Following further hearings, the Commission authorized a permanent increase in freight rates and charges, effective January 1, 1947, estimated to add about 17.7% to the freight revenues of the Company in 1947.

Over the last 15 years, the rate of return of the Company has averaged only 3.62%. In 1946, even with the tax carry-back credit of \$20,148,000 included, the rate of return was only 2.85%; excluding the tax carry-back credit, the figure would be less than 1%. Money invested in other public utilities and general lines of business has been earning about 2½ times as much as that invested in railroads. Railroads need rates which will permit them to earn a return of not less than 6%. Such fair return will sustain railroad credit and attract the investments of the public in railroad securities which are necessary to modernize facilities and provide better service, all in the best interests of patrons, employees and investors alike.

The President and Directors acknowledge with appreciation the continued loyalty and assistance of stockholders, patrons, Governmental agencies, officers and employees.

R. B. WHITE, President

CONTINUED FROM PAGE 130)

One other question—"Is the A.I.B. doing all that it should to help train bank employees?"—included in this survey, as well as a related survey in a different group of banks, is discussed by Leroy Lewis on page 48 of this issue. The great majority of the banks answered this question affirmatively. At least 95 percent of those replying negatively more often than not felt that the trouble was with the local chapters rather than with the organization as a whole.

Although the present membership of the Institute is 78,605, less than half, or 35,708, are enrolled in the educational courses. The total enrolment of 40,453 thus far this year is accounted for by the fact that some students double up and take two or more classes a year.

The highest previous membership in the Institute was in 1931, when it reached 74,049. Enrolment reached the all-time peak of 48,778 in that year. The third highest membership and second highest enrolment were attained in 1930, with 69,346 and 44,972, respectively. The next best record was made in 1941, when the membership was 69,156 and class enrolment 44,901.

IN the earlier years, a considerably higher ratio prevailed vis-à-vis membership and enrolment than in the current year. This may be due largely to post-war lethargy, coupled with the fact that returned veterans are resting up and getting oriented in their home lives before resuming their A.I.B. training. Or it could be that the women, who outnumbered men in the majority of the banks during the war years, and who hold, as of today, about 50 percent of the bank jobs, are less responsive to the opportunity to improve their educational background than the men. Prior to the war, men were in the saddle numerically in banks. Whatever the reason for the wide differential between membership and enrolment, a great many people seem to be losing out on an enviable opportunity for self-improvement, for the views expressed by the bank presidents and their associates in answer to BANKING's questionnaire lead to but one conclusion: Time spent by bank employees in self-improvement is never wasted. The Irish authoress, Anna Jameson, aptly expressed the thought in these words:

"The true purpose of education is to cherish and unfold the seed of immortality already sown within us; to develop, to their fullest extent, the capacities of every kind with which the God who made us has endowed us."

This message is one of
a series appearing in Time,
Newsweek, Business Week,
and other national magazines.



CORRESPONDENT BANKING is an integral and important part of America's banking system. Through it, the country's 14,000 banks cooperate to assure adequate credit for business, facilitate the flow of funds, and exchange ideas and information on the newest banking procedures. This close relationship enables banks throughout the nation to serve their customers with speed and economy . . . Bankers Trust Company is working with many of the country's leading banks to provide increasingly effective banking service for American business.

BANKERS TRUST COMPANY

NEW YORK

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

BOOKKEEPER ADMITS THEFT OF \$41,249

FORCED HIS FIRM OUT OF BUSINESS

A 34-year-old bookkeeper in a local firm admitted in court yesterday that he had driven his employers out of business by stealing \$41,249 from the company in the last two and a half years.

To protect your loans . . .

...you should require commercial borrowers to carry ample Fidelity Bond coverage on key officials and employees... just as you require them to carry ample fire coverage.

There is an F&D representative in your community. He represents a company that has specialized in "dishonesty insurance" since 1890.

Call him. He will be glad to confer with you about any commercial, industrial, or financial bonding problem... without obligation, of course.

FIDELITY AND DEPOSIT COMPANY
Baltimore Maryland

WITH WHICH IS AFFILIATED THE AMERICAN BONDING COMPANY OF BALTIMORE

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EDITORIAL

THE CONDITION OF BUSINESS

By WILLIAM R. KUHN

The Outlook. About this time last year BANKING asked a cross section of its readers what they thought was the chief obstacle to healthy business progress.

Opinions were very much on one side: to the effect that if many of the OPA controls could be removed, prices would rise, encouraging greater production, which in turn would restore competition and lower prices. This was some months before there was any general public demand for such action.

From all reports in recent months we seem to be nearing the final stage of this process, where enough goods are available to insure normal competitive selling which almost disappeared six years ago.

One reason industrial output has maintained itself at levels far exceeding the most hopeful estimates of last year has been the removal of price controls. The only real hope of relieving the price situation and most other economic headaches lies in even greater production.

To Buy or Not to Buy. With high output in most lines and so much talk about top-heavy prices it is only natural for Mr. and Mrs. Customer to turn the tag over a few times and for commercial buyers to wait and see. Already there is ample evidence that this is happening and that the process is going to have its beneficial as well as its painful aspects. There is no unanimity among business people on the matter of figuring costs and cutting prices but in the end the question will not be decided by ballyhoo as to what should be done but by the time-hallowed method of what must be done competitively.

One of the most difficult of these price dilemmas is probably that faced by the construction industry. For various familiar reasons prices in the real estate field tend to remain out of reach even after buyers stop reaching. A considerable further decline in building could conceivably take place before prices yield and this would be an invitation for elaborate government housing schemes with all the uncertainties this would entail for the industry.

Same Tune, New Words. In view of what we are witnessing today it is well to remember that 10 years ago the Government was doing everything it could think of to raise prices. The little theory then was that this would enable business to increase wages and farmers to earn more and happy days would be here again. There were many reasons why this failed, but a very good one was that the attempt to substitute a mess of individual, authoritarian opinion for supply and demand created an atmosphere of uncertainty in which business found it difficult to make any plans.

Today the same thing is being tried in reverse. This time the idea is that we can accomplish the job by arguing prices down. Granted that it would be good for mass production and the long run prospect if many prices were lower,

the injection of too much highly publicized personal opinion into the law of supply and demand would be just as conducive to uncertainty today as it was before.

Questions Seeking Answers. In addition to the probable trend of prices there are several other questions that business would like to see answered:

- (1) Taxes?
- (2) Recession?
- (3) Unions?
- (4) Free enterprise?

The trouble in each case is not a lack of answers but too many different ones.

There is crystallizing a belief that tax relief, particularly for small business, is a first requisite and something should be done right away and not after the stultifying effects of present levies have resulted in a business recession.

At a recent meeting the Small Business Credit Commission of the American Bankers Association stated:

"It is the considered judgment of this Commission, as a result of its studies of the problems of the needs of small business, that credit as a factor in the creation and growth of small business has been unduly emphasized in many quarters and that, instead, one of the principal needs of small business today is the removal of some of the tax inequities and burdens which place too great an obstacle to the attraction of capital and the proper retention of earnings so necessary for healthy growth and stability."

Sparring. According to a belief which has achieved amazingly wide acceptance we have on the program today a short recession to be followed by an extended period of progress. This has given unusual importance to the question of who will get the blame and who the credit. Efforts to decide this delicate political question ahead of time explain many things said and done these days that would otherwise be puzzling. It is one reason for the delay in getting beneficial legislation on various matters now pending.

Another reason for taking all the time in the world on tax and labor legislation is that business seemed to be doing all right and there was not the note of urgency that the situation seemed to have last Fall.

We seem fairly well embarked on a foreign aid program on behalf of foreign enterprise, although the way we are going about it is far from being a demonstration of private enterprise. It is more an exhibition of government enterprise which is largely on the cuff.

The main job of those charged with responsibility for all this large scale international lending will be to keep the money channeled strictly into self-liquidating business propositions.

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